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**CITY OF KENNER, LOUISIANA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended June 30, 2007**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/13/08

Submitted by:

Department of Finance

DUKE P. McCONNELL, CPA  
Chief Financial Officer

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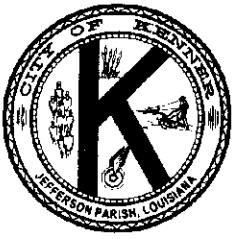
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## **INTRODUCTORY SECTION**



# CITY OF KENNER

## DEPARTMENT OF FINANCE

**EDMOND J. "ED" MUNIZ**  
MAYOR

**DUKE P. MCCONNELL**  
CHIEF FINANCIAL OFFICER

January 10, 2008

Honorable Mayor and City Councilpersons  
**City of Kenner, Louisiana**  
1801 Williams Boulevard  
Kenner, Louisiana 70062

The Comprehensive Annual Financial Report of the City of Kenner, Louisiana, for the fiscal year-ended June 30, 2007 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and operating activities of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the most recent GFOA Certificate, the City's organizational chart, a list of principal officials and a map of the City. The financial section includes management's discussion and analysis, basic financial statements, required supplemental information and other supplemental information, as well as the auditor's report. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and related 1996 Amendments, and U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and auditor's reports on compliance and on internal controls, are included in the single audit section of this report.

### CITY OF KENNER

The City is the largest incorporated area in Jefferson Parish, a suburban parish (county) in the New Orleans Standard Metropolitan Statistical Area. It is bounded on the north by Lake Pontchartrain, on the south by the Mississippi River, on the east by unincorporated Jefferson Parish, and on the west by St. Charles Parish. The map of the City which is enclosed in this Introductory Section reflects a total area of approximately 15 square miles. Since 1946, the City has contained the site for the Louis Armstrong New Orleans International Airport.

Major industries located within the City's boundaries or in close proximity include retail, air carriers, gaming, telephone, energy and telecommunications providers, and manufacturing.

### REPORTING ENTITY AND ITS SERVICES

The City is a unit of general local government under the Census Bureau's criteria. It is a home rule charter city incorporated under the constitution and laws of the State of Louisiana on July 1, 1974. A seven person council and an elected mayor govern the City, as reflected in the organizational chart of the City's administrative departments included in this introductory section. The City's department directors with the exception of the Police Department, which is governed by an elected chief, report to the Chief Administrative Officer who in turn reports directly to the Mayor.

This report includes government-wide financial statements and fund financial statements of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events. As required by generally accepted accounting principles, the financial statements of the reporting entity present the primary government (the City) and any component units. Component units are defined as legally separate organizations for which the City is financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. In addition, a component unit can be another organization for which the nature and significance of its relationship with the primary government (the City) is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The City has no component units currently.

## THE REPORT FORM

The authoritative promulgations by the Governmental Accounting Standards Board (GASB) were applied in the preparation of this report.

Users of the Comprehensive Annual Financial Report should also refer to the narrative introduction, overview, and analysis found in the Management's Discussion and Analysis (MD&A) in the financial section of the Comprehensive Annual Financial Report.

## FINANCIAL INFORMATION

### Internal Accounting Control

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### Single Audit

As a recipient of federal, state and parish financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. I believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations. The results of the City's single audit for the fiscal year-ended June 30, 2007 are included in the Single Audit Section of this report.

### Budgetary Control

In addition, the government maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Enterprise Funds are included in the annual appropriated budget. Project-length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the fund level, except for the General Fund which is at the departmental level. Any amendments to the total budgeted expenditures of a department require Council approval. The Mayor can approve changes to the budget within a department, as long as the total is not changed. The government also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.



Besides comparing current year expenditures to the prior year, comparison to budget is of paramount importance in a government's financial reporting. The City Council annually adopts a budget for each governmental fund type (except capital projects are budgeted on a project basis) and proprietary type funds (except for the Internal Service Funds). Budgetary accounting is not used for the Self Insurance and Health Insurance Internal Service Funds because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget. Budgets are adopted by June 15th for the fiscal year which begins the following July 1st. Revenues and expenditures are budgeted on the modified accrual or accrual basis as appropriate for the fund type. Encumbrances of the current year are recorded as obligations against budgeted appropriations and are included in the columns titled "budgetary" in the statements in the financial section of this report.

## CASH MANAGEMENT

The City has a fiscal agent contract to handle its operating accounts. Transaction balances are kept in sweep accounts, where balances are swept into interest bearing accounts earning Federal Funds rates less 15 basis points and investable balances are kept in money market accounts earning Federal Funds rates less 50 basis points. The City, however, still reserves the right to remove investable funds and invest them at other institutions. The balances in the money market accounts are reported on the balance sheet as "cash".

Funds being held as reserves on bonds and amounts being accumulated to pay principal and interest on bonds are held in trust accounts. The trustee invests the funds under the direction of the City.

Bond proceeds being used for construction are invested in federally sponsored entities for terms based on the draw down schedules of the projects. The investments are made using the services of a financial investment advisory company with which the City has an agreement to provide these services.

## RISK MANAGEMENT

To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$250,000 for each general liability claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; coverage for up to a maximum of \$250,000 for each auto liability claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; and coverage for up to a maximum of \$325,000 for each worker's compensation claim, with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000.

The Self-Insurance Fund also provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Self-Insurance Fund.

## LOCAL ECONOMY

The City of Kenner currently enjoys a favorable economic environment and local indicators point to continued prosperity. While sales taxes have declined from the unusually high levels caused from the rebuilding after Hurricane Katrina, they remain above pre-Katrina levels. The City continues to work with FEMA on reimbursement of Hurricane Katrina related expenditures as the recovery continues.

## LONG-TERM FINANCIAL PLANNING

After Hurricane Katrina the City had applied for and was approved for a special community disaster loan of \$5.2 million through the Federal Emergency Management Agency (FEMA) under the provisions of the Community Disaster Loan Act of 2005. This loan was intended to replace lost revenue due to the hurricane and was to be paid back within three years. Due to increased sales taxes from the rebuilding, the City did not draw any funds on this loan. The loan is no longer available. However, the City does not need to borrow any funds at this time.

## LEGAL COMPLIANCE

The Single Audit Act of 1984 (P. L. 98-502) and related 1996 Amendments requires reports by the Auditors on compliance and on the internal control over financial reporting in accordance with Government Auditing Standards, the City's compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133 and the Schedule of Expenditures of Federal Awards. These reports, along with the City management's responses to the non-compliance findings, are presented in the Single Audit Section of this report.

## INDEPENDENT AUDIT

Louisiana municipalities not audited by the Legislative Auditor are required by La. R.S. 24:517 to have conducted annually an audit of their accounts by a certified public accountant. Moreover, the City Charter (Section 2:28) requires that the Council shall execute a contract each year with a certified public accountant or a firm of certified public accountants for an examination of the accounts of the City to include all funds appropriated by the Council. These requirements have been complied with and the opinion of the firm of Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants has been included in this report.

## AWARDS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year-ended June 30, 2006. This was the twelfth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual financial report for the fiscal year ended June 30, 2006. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Reporting is valid for a period of one year only. The City is preparing a Popular Annual Financial Report for fiscal year-ended June 30, 2007 and we are submitting it to the GFOA to determine its eligibility for another award.

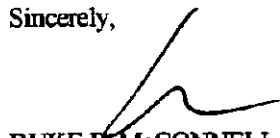
## ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the staff at Duplantier, Hrapmann, Hogan & Maher, L.L.P., Certified Public Accountants, for their invaluable assistance in completing this Comprehensive Annual Financial Report of the City of Kenner.

In closing, without the leadership and support of the Mayor, the Chief Administrative Officer and the City Council, preparation of this report would not have been possible.

Sincerely,



DUKE P. McCONNELL, CPA  
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kenner  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

*Jeffrey R. Ennis*

Executive Director

## CURRENT SELECTED OFFICIALS OF THE CITY OF KENNER

### CITY COUNCIL

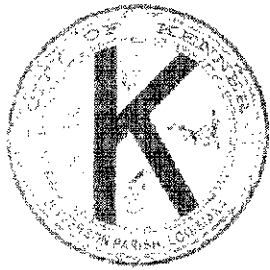
Councilwoman at Large	Michele Branigan
Councilwoman at Large	Jeannie Black
District No. 1	Marc Johnson
District No. 2	Joseph Stagni
District No. 3	Ben Zahn
District No. 4	Maria DeFrancesch
District No. 5	Kent Denapolis

### EXECUTIVE STAFF

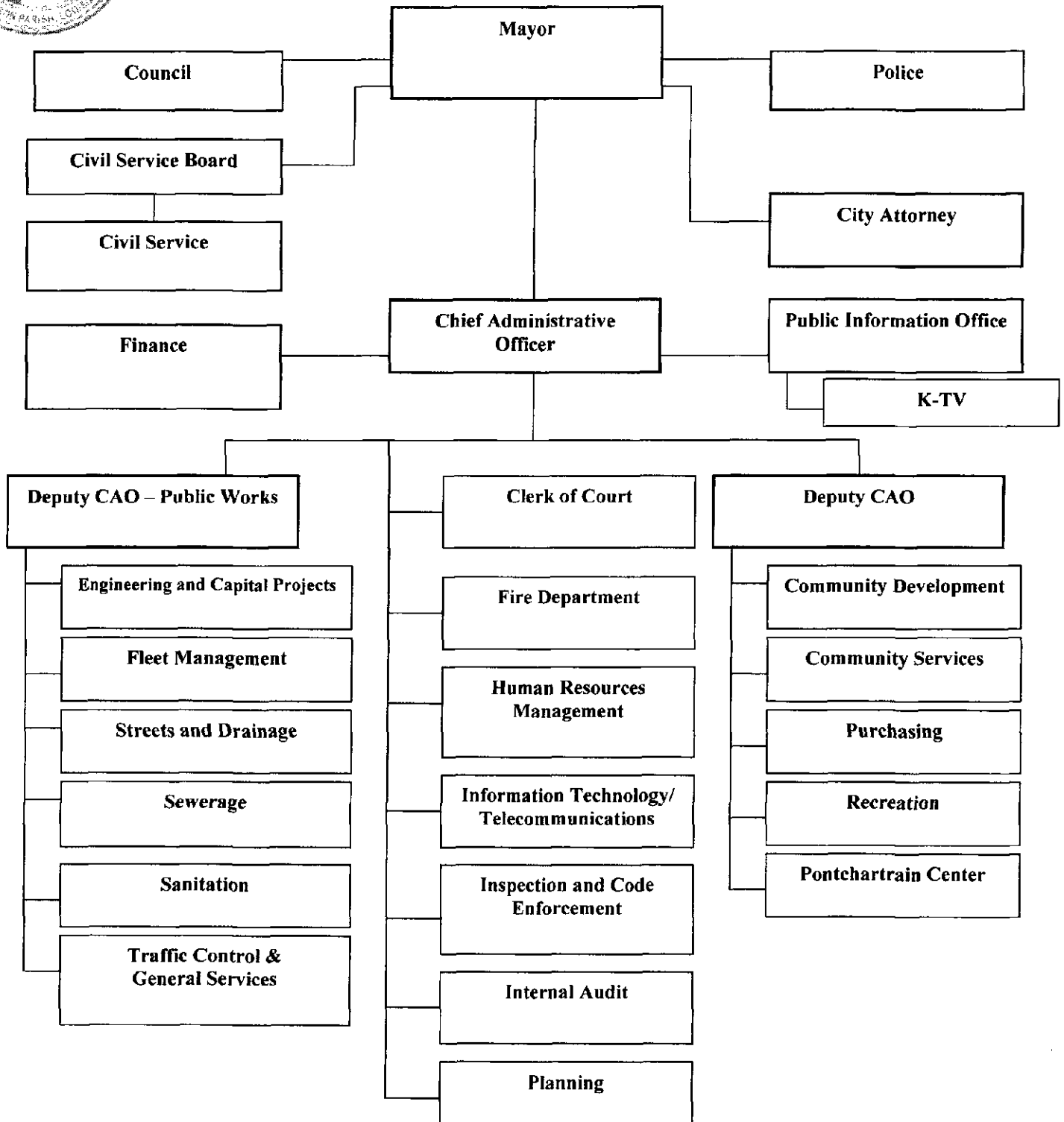
Mayor	Honorable Edmond J. "Ed" Muniz
Chief Administrative Officer	Michael Yenni
Chief of Police	Steve Caraway
City Attorney	Keith Conley
Deputy Chief Administrative Officer	Mike Quigley
Deputy Chief Administrative Officer-Public Works	Prat Reddy
Chief Financial Officer	Duke McConnell

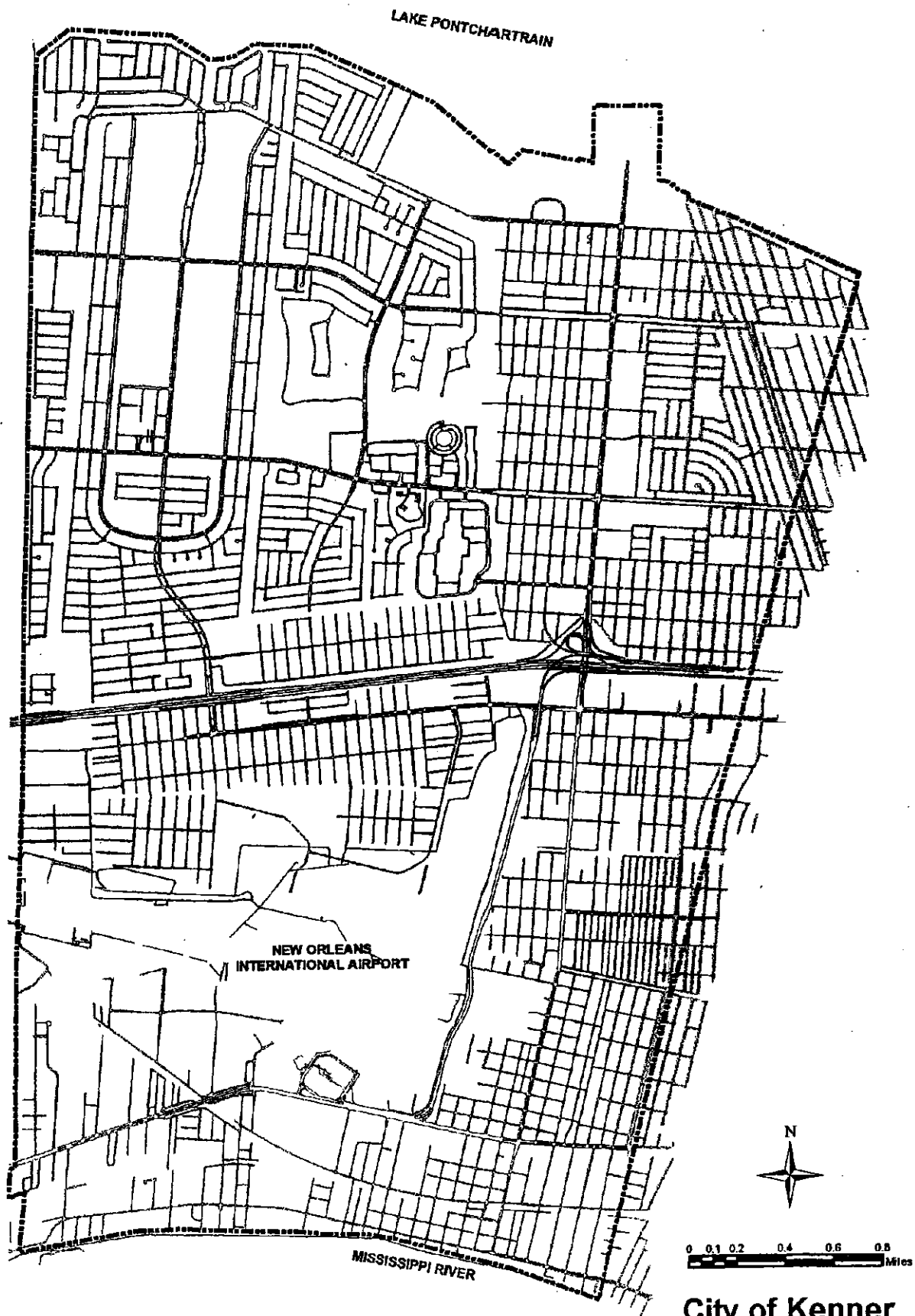
### DEPARTMENT HEADS

Inspection and Code Enforcement	Keith Chiro
Community Development	Arleeta Terrell
Community Services	Mary Sharon Howland
Parks and Recreation	Ken Marroccoli
Human Resources	Beverly Nicolosi
Planning	Jay Hebert
Purchasing	Brenda Campos
Fire Chief	John Hellmers
Public Information Officer	Emile Lafourcade
Court	Meg Casler
Information Technology	Danna Morris
Internal Audit	Annamarie Pizzolato
Council Clerk	Michelle Sheeren
Civil Service	Avie Fontenot
Engineering and Capital Projects	Vacant
Fleet Management	Ronnie Vitellaro
Streets and Drainage	Jerry Dillenkoffer
Traffic Control and General Services	Kenny Melvin



# City of Kenner Organization of Government





**City of Kenner**

Prepared by Planning Department

## **FINANCIAL SECTION**



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MICHAEL J. O'ROURKE, C.P.A.  
WILLIAM G. STAMM, C.P.A.  
CLIFFORD J. GIFFIN, JR., C.P.A.  
DAVID A. BURGARD, C.P.A.  
LINDSAY J. CALUB, C.P.A., L.L.C.  
GUY L. DUPLANTIER, C.P.A.  
MICHELLE H. CUNNINGHAM, C.P.A.  
DENNIS W. DILLON, C.P.A.

ANN H. HEBERT, C.P.A.  
ROBIN A. STROHMEYER, C.P.A.  
GRADY C. LLOYD, III, C.P.A.  
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A.J. DUPLANTIER, JR., C.P.A.  
(1919-1985)  
FELIX J. HRAPMANN, JR., C.P.A.  
(1919-1990)  
WILLIAM R. HOGAN, JR., C.P.A.  
(1920-1996)  
JAMES MAHER, JR., C.P.A.  
(1921-1999)

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LA, C.P.A.s

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the Council  
City of Kenner, Louisiana

January 10, 2008

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kenner, Louisiana as of and for the year ended June 30, 2007 which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Kenner, Louisiana, management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kenner, Louisiana as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 11 through 16 and 61 through 64 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana, basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Honorable Mayor and Members of the Council  
City of Kenner, Louisiana  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2008 on our consideration of the City of Kenner, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Kenner, Louisiana basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of Kenner, Louisiana. The Schedule of Expenditures of Federal Awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Duplantier, Chapman, Hogan & Maher LLP

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**CITY OF KENNER, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2007**

This management discussion and analysis is intended to provide the readers of the City's financial statements with an overview and analysis of the financial activities of the City for the year ended June 30, 2007. It should be read in conjunction with the transmittal letter and financial statements including footnotes.

**FINANCIAL HIGHLIGHTS**

The assets of the City exceeded its liabilities by approximately \$365 million at June 30, 2007. Of this amount, approximately \$321 million is in capital assets net of related debt.

The City's unrestricted net assets in governmental activities are approximately \$15 million.

Business type activities unrestricted net assets are approximately \$5 million.

The City's total net assets decreased by approximately \$3 million. Net assets of governmental activities decreased by approximately \$5 million due to capital additions of approximately \$7 million, depreciation of approximately \$20 million and due to a reduction of liabilities from scheduled debt payments and paying liabilities from the hurricane clean-up funds received from FEMA. Net assets of business type activities increased by approximately \$2 million due to \$5 million in capital additions less \$3 million in depreciation.

The City's governmental funds reported combined unreserved undesignated fund balances of approximately \$7.2 million with approximately \$7.8 million in the general fund. The general fund portion decreased by approximately \$.9 million. While revenues were over budget by approximately \$2 million, the additional funds have been budgeted for capital improvements and are included in the unreserved, designated for subsequent year expenditures. The majority of the additional revenues were primarily sales taxes from the continued rebuilding in the aftermath of Hurricane Katrina. The deficit of \$1 million in the Capital Projects Funded with Bond Proceeds Fund will be eliminated when arbitrage calculations are completed and interest is rebated to the fund.

The unreserved undesignated fund balance of the governmental funds represents 11% of the City's operating expenditures.

The City's total debt decreased by approximately \$6 million due to scheduled payments made during the year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The management discussion and analysis serves as an introduction to the City's basic financial statements, which are the government-wide financial statements, fund financial statements, and notes to the financial statements. Also included in the report is required supplementary information.

**Government-wide financial statements.** The government-wide financial statements report information about the overall finances of the City similar to a business enterprise. The statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations.

The Statement of Net Assets presents information on all of the City's assets, less liabilities, which results in net assets. The statement is designed to display the financial position of the City. Over time, increases or decreases in net assets help determine whether the City's financial position is improving or deteriorating.

The Statement of Activities provides information which shows how the City's net assets changed as a result of the year's activities. The statement uses the accrual basis of accounting, which is similar to the accounting used by private-sector businesses. All of the revenues and expenses are reported regardless of the timing of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities distinguish functions of the City that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) from functions where user fees and charges to customers help to cover all or most of the cost of services (business-type activities). The City's governmental activities include general government, public safety, public works, health and welfare, culture and recreation, and transit and urban development. The business-type activities of the City include the City's sewer system and civic center.

**CITY OF KENNER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**For The Year Ended June 30, 2007**

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate fiscal accountability. The City uses governmental, proprietary, and fiduciary fund financial statements to provide more detailed information about the City's most significant funds rather than the City as a whole.

**Governmental funds.** Governmental funds are used to report most of the City's basic services. The funds focus on the inflows and outflows of current resources and the balance of spendable resources available at the end of the fiscal year. Governmental fund statements provide a near- or short-term view of the City's operations. A reconciliation is prepared of the governmental funds Balance Sheet to the Statement of Net Assets and the Statement of Revenues, Expenditures, and Changes in Fund Balances of governmental funds to the Statement of Activities.

Twelve governmental funds are used by the City. The City has seven major governmental funds, which have separately presented information in the governmental fund Balance Sheet, and Statement of Revenues and Expenditures and Changes in Fund Balance. The major funds are the General Fund, One Percent Sales Tax of 1984 Fund, Garbage Collection and Disposal Fund, Fire Protection Fund, General Debt Fund, General Capital Projects Fund, and Capital Projects Funded with Bond Proceeds Fund. The five non-major funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in combining statements.

The City adopts an annual budget for its governmental funds with the exception of the Capital Projects Funded with Bond Proceeds Fund. Budgetary comparison statements have been provided for these funds.

**Proprietary funds.** The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its sewer and civic center operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its health care and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the sewer and civic center, both of which are considered major proprietary funds of the City.

Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements and elsewhere in this report.

The City also adopts an annual budget for its enterprise funds, and budgetary comparison schedules are provided for these funds.

**Fiduciary funds.** Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for others. Activities from fiduciary funds are not included in the government-wide financial statements because the City cannot use these assets for its operations.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**CITY OF KENNER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**For The Year Ended June 30, 2007**

**Government-wide Financial Analysis**

**Net assets.** The following table reflects condensed information on the City's net assets for the current and prior years.

<b>Net Assets</b>						
<b>June 30,</b>						
<b>(In thousands)</b>						
	Governmental Activities 2007	Business-type Activities 2007	Total 2007	Governmental Activities 2006	Business-type Activities 2006	Total 2006
<b>Assets:</b>						
Current and other assets	\$ 55,323	\$ 6,875	\$ 62,198	\$ 58,552	\$ 6,640	\$ 65,192
Capital assets	<u>306,980</u>	<u>72,959</u>	<u>379,939</u>	<u>320,157</u>	<u>70,241</u>	<u>390,398</u>
<b>Total assets</b>	<u>362,303</u>	<u>79,834</u>	<u>442,137</u>	<u>378,709</u>	<u>76,881</u>	<u>455,590</u>
<b>Liabilities:</b>						
Long-term outstanding debt	63,361	-	63,361	69,243	5	69,248
Other liabilities	<u>11,832</u>	<u>1,593</u>	<u>13,425</u>	<u>17,213</u>	<u>950</u>	<u>18,163</u>
<b>Total liabilities</b>	<u>75,193</u>	<u>1,593</u>	<u>76,786</u>	<u>86,456</u>	<u>955</u>	<u>87,411</u>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	248,307	72,959	321,266	256,364	70,242	326,606
Restricted	23,398	-	23,398	21,009	-	21,009
Unrestricted	<u>15,405</u>	<u>5,282</u>	<u>20,687</u>	<u>14,880</u>	<u>5,684</u>	<u>20,564</u>
<b>Total net assets</b>	<u>\$ 287,110</u>	<u>\$ 78,241</u>	<u>\$ 365,351</u>	<u>\$ 292,253</u>	<u>\$ 75,926</u>	<u>\$ 368,179</u>

**CITY OF KENNER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**For The Year Ended June 30, 2007**

**Changes in net assets.** The City's total revenues and expenses for governmental and business-type activities are reflected in the following chart for the current and prior years.

**Changes in Net Assets**  
**June 30,**  
**(In thousands)**

	Governmental Activities 2007	Business-type Activities 2007	Total 2007	Governmental Activities 2006	Business-type Activities 2006	Total 2006
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 13,678	\$ 5,175	\$ 18,853	\$ 12,586	\$ 4,503	\$ 17,089
Operating grants & Contributions	6,184	-	6,184	33,969	-	33,969
Capital grants & Contributions	1,016	1,011	2,027	2,713	5,731	8,444
General revenues:						
Property taxes	6,699	446	7,145	7,107	479	7,586
Sales taxes	37,656	196	37,852	37,224	490	37,714
Other taxes	10,441	355	10,796	10,608	265	10,873
Grants & contributions not restricted to specific programs	1,015	588	1,603	436	-	436
Other	5,313	4,209	9,522	2,166	817	2,983
<b>Total revenues</b>	<b>82,002</b>	<b>11,980</b>	<b>93,982</b>	<b>106,809</b>	<b>12,285</b>	<b>119,094</b>
<b>Program expenses:</b>						
General government	12,907	-	12,907	16,927	-	16,927
Public safety	29,353	-	29,353	28,712	-	28,712
Public works	33,441	-	33,441	59,921	-	59,921
Health and welfare	879	-	879	866	-	866
Culture and recreation	6,247	-	6,247	6,199	-	6,199
Transit & urban development	1,439	-	1,439	1,220	-	1,220
Miscellaneous	-	-	-	-	-	-
Interest on long term debt	2,454	-	2,454	2,674	-	2,674
Sewer operations	-	7,575	7,575	-	6,823	6,823
Civic center operations	-	2,514	2,514	-	2,262	2,262
<b>Total expenses</b>	<b>86,720</b>	<b>10,089</b>	<b>96,809</b>	<b>116,519</b>	<b>9,085</b>	<b>125,604</b>
<b>Change in net assets before transfers</b>	<b>(4,718)</b>	<b>1,891</b>	<b>(2,827)</b>	<b>(9,710)</b>	<b>3,200</b>	<b>(6,510)</b>
<b>Transfers</b>	<b>(425)</b>	<b>425</b>	<b>-</b>	<b>(903)</b>	<b>903</b>	<b>-</b>
<b>Change in net assets</b>	<b>(5,143)</b>	<b>2,316</b>	<b>(2,827)</b>	<b>(10,613)</b>	<b>4,103</b>	<b>(6,510)</b>
<b>Net assets-beginning of year</b>	<b>292,252</b>	<b>75,925</b>	<b>368,177</b>	<b>302,865</b>	<b>71,822</b>	<b>374,687</b>
<b>Net assets-end of year</b>	<b>\$ 287,109</b>	<b>\$ 78,241</b>	<b>\$ 365,350</b>	<b>\$ 292,252</b>	<b>\$ 75,925</b>	<b>\$ 368,177</b>

**CITY OF KENNER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**For The Year Ended June 30, 2007**

**Capital Assets and Debt Administration**

**Capital assets.** The City's investment in capital assets as of June 30, 2007 for its governmental and business-type activities was approximately \$380 million, net of depreciation as reflected in the schedule below:

**Capital Assets**  
**June 30, 2007**  
**(Net of depreciation in thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 9,674	\$ 3,799	\$ 13,473
Construction in progress	11,252	13,648	24,900
Buildings	24,644	49,670	74,314
Improvements other than buildings	3,501	554	4,055
Equipment	8,729	5,288	14,017
Infrastructure	249,180	-	249,180
<b>Total</b>	<b>\$ 306,980</b>	<b>\$ 72,959</b>	<b>\$ 379,939</b>

The majority of the capital additions for the year were for infrastructure as the City continued a major program of infrastructure improvements including roads, drainage and sewerage. The City also purchased additional equipment for the Fire department and additional expenditures for the City's new computer system. For additional information on capital asset activity see note "H" in the Notes to the Financial Statements section.

**Long-term debt.** At year-end, the City had approximately \$63 million in long-term debt as shown in the table below.

**Outstanding long-term debt**  
**June 30, 2007**  
**(In thousands)**

	Governmental Activities	Business-type Activities	Total
Revenue bonds	\$ 35,473	\$ -	\$ 35,473
Certificates of indebtedness	4,145	-	4,145
Note payable	20,084	-	20,084
Mortgage payable	-	1	1
Other	3,660	-	3,660
<b>Total</b>	<b>\$ 63,362</b>	<b>\$ 1</b>	<b>\$ 63,363</b>

The City's total long-term debt decreased by approximately \$6 million, which was explained earlier.

The City's general obligation bonds continued to maintain a Baa rating and the City's revenue bonds continued to maintain an AAA rating.

State statutes limit the amount of government obligation debt a municipality may issue at a maximum of 10% of the assessed valuation for any purpose. The maximum may be exceeded if the aggregate issued for all purposes does not exceed 35% of the total assessed valuation. The City's outstanding general obligation debt is below the state limit. Approximately, \$140 million of additional general obligation bonded debt is available for issuance. See note "I" in the Notes to the Financial Statements section of this report for additional information on the City's Long Term Debt.

**CITY OF KENNER, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**  
**For The Year Ended June 30, 2007**

The City's financial status continued to be affected by the aftermath of Hurricane Katrina as noted earlier. Although sales taxes have declined from the high levels after the hurricane, business remains fairly good. The City continues to pay for the clean-up and is continuing to receive reimbursements from FEMA.

The City's overall revenue decreased by approximately \$25 million from the previous year. The decrease was due to a reduction in funds received from FEMA for Hurricane Katrina clean-up from \$31 million to \$9 million and due to funds received last year from a federal grant for the consolidation of the City's wastewater treatment plants.

The City's total expenses decreased by approximately \$29 million. The decrease was due to a reduction in expenditures to clean-up the City after Hurricane Katrina. Capital project expenditures decreased as several capital projects were completed.

**BUDGETARY HIGHLIGHTS**

General fund revenues were over budget primarily due to sales taxes as noted earlier.

Operating expenditures in the General Fund were under budget due to savings in various departments. However, these funds were used to buy needed equipment.

The General Fund's final budget was significantly higher than the original budget due to amendments necessary to cover the additional expenses the City incurred in the clean up and restoration from Hurricane Katrina.

**ECONOMIC OUTLOOK**

Long-term prospects for the City remain very good. The City has continued to make great strides in recovering from Hurricane Katrina and the City's economy continues to improve. Sales taxes have declined from the unusually high levels from the rebuilding following Hurricane Katrina. However, they are still higher than pre-Katrina levels.

Sales taxes at the Esplanade Mall, a major shopping center located in the City, has been down since Hurricane Katrina, as Macy's and several other stores have not reopened. The mall is poised for a resurgence as Macy's is scheduled to reopen in the latter part of 2008. This should give a significant boost to the City's economy.



## **BASIC FINANCIAL STATEMENTS**

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash	\$ 16,186,871	\$ 944,938	\$ 17,131,809
Equity in pooled cash	2,192,469	383,995	2,576,464
Investments	12,982,184	884,462	13,866,646
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,011,844	-	1,011,844
Accounts	5,743,950	-	5,743,950
Intergovernmental	15,095,934	500,000	15,595,934
Special assessments - delinquent	477	-	477
Interest	49,962	-	49,962
Service charges	-	1,186,646	1,186,646
Other	11,638	3,557,563	3,569,201
Internal balances	586,076	(586,076)	-
Inventory, at cost	85,201	-	85,201
Prepaid items	441,584	-	441,584
Deferred charges	935,309	-	935,309
Refundable deposits	-	3,669	3,669
Capital assets not being depreciated	20,926,439	17,447,058	38,373,497
Capital assets being depreciated, net of accumulated depreciation	286,053,393	55,512,178	341,565,571
<b>Total assets</b>	<b>362,303,331</b>	<b>79,834,433</b>	<b>442,137,764</b>
<b>LIABILITIES</b>			
Accounts payable	5,493,824	1,144,594	6,638,418
Estimated claims payable	3,718,580	-	3,718,580
Retainages payable	88,089	189,565	277,654
Accrued liabilities	1,117,968	26,355	1,144,323
Deposits on future events	-	215,682	215,682
Due to other governments	1,197,912	-	1,197,912
Uncollected revenue	-	15,938	15,938
Other liabilities	215,544	-	215,544
Non-current liabilities:			
Due within one year	7,777,924	872	7,778,796
Due in more than one year	55,583,979	-	55,583,979
<b>Total liabilities</b>	<b>75,193,820</b>	<b>1,593,006</b>	<b>76,786,826</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	248,306,577	72,959,236	321,265,813
Restricted for:			
Capital projects	18,640,934	-	18,640,934
Debt service	4,757,388	-	4,757,388
Unrestricted	15,404,612	5,282,191	20,686,803
<b>Total net assets</b>	<b>\$ 287,109,511</b>	<b>\$ 78,241,427</b>	<b>\$ 365,350,938</b>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Function/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities</b>						
General government	\$ 12,907,100	\$ -	\$ -	\$ (6,946,609)	\$ -	\$ (6,946,609)
Public safety	29,353,249	849,239	748	(23,563,516)	-	(23,563,516)
Public works	33,441,899	4,232,520	1,015,270	(24,627,568)	-	(24,627,568)
Health and welfare	878,512	-	-	(789,392)	-	(789,392)
Culture and recreation	6,247,394	-	-	(5,202,969)	-	(5,202,969)
Transit and urban development	1,439,340	1,102,654	-	(259,278)	-	(259,278)
Interest on long-term debt and other charges	2,454,040	-	-	(2,454,040)	-	(2,454,040)
<b>Total Governmental Activities</b>	<b>86,721,534</b>	<b>6,184,413</b>	<b>1,016,018</b>	<b>(65,843,372)</b>	<b>-</b>	<b>(65,843,372)</b>
<b>Business-type Activities</b>						
Wastewater Operations	7,575,122	-	1,011,405	-	(2,726,934)	(2,726,934)
Civic Center Operations	2,514,437	-	-	-	(1,175,531)	(1,175,531)
<b>Total Business-type Activities</b>	<b>10,089,559</b>	<b>-</b>	<b>1,011,405</b>	<b>-</b>	<b>(3,902,465)</b>	<b>(3,902,465)</b>
<b>Total</b>	<b>\$ 96,811,093</b>	<b>\$ 6,184,413</b>	<b>\$ 2,027,423</b>	<b>(65,843,372)</b>	<b>(3,902,465)</b>	<b>(69,745,837)</b>
<b>General Revenues:</b>						
<b>Taxes:</b>						
Ad valorem				6,699,015	445,939	7,144,954
Sales and use				37,656,053	196,045	37,852,098
Beer tax				88,947	-	88,947
Parking				1,850,618	-	1,850,618
Franchise				8,501,548	354,778	8,856,326
Grants and contributions not restricted to specific programs				1,015,006	587,691	1,602,697
Investment earnings				1,771,428	166,101	1,937,529
Miscellaneous				3,542,060	32,610	3,574,670
Proceeds from insurance				-	4,010,212	4,010,212
Transfers				(424,547)	424,547	-
<b>Total general revenues and transfers</b>				<b>60,700,128</b>	<b>6,217,923</b>	<b>66,918,051</b>
<b>Change in Net Assets</b>				<b>(5,143,244)</b>	<b>2,315,458</b>	<b>(2,827,786)</b>
<b>Net assets - beginning of year</b>				<b>292,252,756</b>	<b>75,925,969</b>	<b>368,178,725</b>
<b>Net assets - end of year</b>				<b>\$ 287,109,512</b>	<b>\$ 78,241,427</b>	<b>\$ 365,350,939</b>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2007**

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>GARBAGE COLLECTION AND DISPOSAL</u>	<u>FIRE PROTECTION</u>
<b>ASSETS</b>				
Cash	\$ 2,397,594	\$ -	\$ -	\$ -
Equity in pooled cash	422,791	-	-	-
Investments	2,468,335	-	-	2,058,764
Receivables (net, where applicable, of allowances for uncollectibles)				
Taxes	1,011,844	-	-	-
Accounts	4,946,291	-	766,319	31,340
Intergovernmental	6,549,017	2,142,175	4,673,182	32,853
Special assessments - delinquent	477	-	-	-
Interest	14	-	-	-
Other	-	-	-	204
Due from other funds	14,237,479	157,936	114,148	573,166
Inventory, at cost	85,201	-	-	-
Prepaid items	441,584	-	-	-
Total assets	<u>\$ 32,560,627</u>	<u>\$ 2,300,111</u>	<u>\$ 5,553,649</u>	<u>\$ 2,696,327</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 2,962,436	\$ -	\$ 869,501	\$ 11,602
Retainages payable	-	-	-	-
Accrued liabilities	482,535	-	-	129,327
Due to other funds	7,613,779	2,300,111	4,589,696	1,982,741
Due to other governments	1,197,912	-	-	-
Deferred revenues	2,524,727	-	94,452	423,249
Other liabilities	215,538	-	-	-
Total liabilities	<u>14,996,927</u>	<u>2,300,111</u>	<u>5,553,649</u>	<u>2,546,919</u>
Fund balances:				
Reserved for:				
Encumbrances	1,237,855	-	-	149,408
Inventory	85,201	-	-	-
Prepaid items	441,584	-	-	-
Restricted expenditures	1,251,047	-	-	-
Debt service	-	-	-	-
Unreserved, designated for:				
Subsequent year's expenditures	6,726,695	-	-	-
Capital additions and improvements	-	-	-	-
Unreserved, undesignated:				
General fund	7,821,318	-	-	-
Capital project funds	-	-	-	-
Special revenue funds	-	-	-	-
Total fund balances	<u>17,563,700</u>	<u>-</u>	<u>-</u>	<u>149,408</u>
Total liabilities and fund balances	<u>\$ 32,560,627</u>	<u>\$ 2,300,111</u>	<u>\$ 5,553,649</u>	<u>\$ 2,696,327</u>

The accompanying notes are an integral part of this statement.

<b>GENERAL DEBT</b>	<b>GENERAL CAPITAL PROJECTS</b>	<b>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$ 2,155,660	\$ 10,060,589	\$ 149,542	\$ 72,200	\$ 14,835,585
16,003	912,828	138,678	694,031	2,184,331
759,628	5,653,317	526,725	-	11,466,769
-	-	-	-	1,011,844
-	-	-	-	5,743,950
681,379	-	793,862	223,466	15,095,934
-	-	-	-	477
7,977	40,652	1,319	-	49,962
-	-	-	11,434	11,638
625,710	5,724,281	516,095	499,942	22,448,757
-	-	-	-	85,201
-	-	-	-	441,584
<u>\$ 4,246,357</u>	<u>\$ 22,391,667</u>	<u>\$ 2,126,221</u>	<u>\$ 1,501,073</u>	<u>\$ 73,376,032</u>
\$ -	\$ 921,270	\$ 435,992	\$ 292,272	\$ 5,493,073
-	88,089	-	-	88,089
-	-	-	36,695	648,557
-	2,741,374	2,536,501	227,555	21,991,757
-	-	-	-	1,197,912
-	-	205,560	30,286	3,278,274
-	-	-	-	215,538
<u>-</u>	<u>3,750,733</u>	<u>3,178,053</u>	<u>586,808</u>	<u>32,913,200</u>
-	3,336,155	-	20,074	4,743,492
-	-	-	-	85,201
-	-	-	-	441,584
-	-	-	-	1,251,047
4,246,357	-	-	511,031	4,757,388
-	-	-	-	6,726,695
-	15,304,779	-	-	15,304,779
-	-	-	-	7,821,318
-	-	(1,051,832)	-	(1,051,832)
-	-	-	383,160	383,160
<u>4,246,357</u>	<u>18,640,934</u>	<u>(1,051,832)</u>	<u>914,265</u>	<u>40,462,832</u>
<u>\$ 4,246,357</u>	<u>\$ 22,391,667</u>	<u>\$ 2,126,221</u>	<u>\$ 1,501,073</u>	<u>\$ 73,376,032</u>

**CITY OF KENNER, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Fund balances - total governmental funds	\$ 40,462,832
Capital assets, net used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	306,979,832
Internal service funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(715,415)
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	3,278,271
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Accrued interest payable	(469,414)
Compensated absences	(3,659,798)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)	<u>(58,766,797)</u>
Net assets of governmental activities	<u><u>\$ 287,109,511</u></u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>GENERAL</u>	<u>ONE PERCENT SALES TAX OF 1984</u>	<u>GARBAGE COLLECTION AND DISPOSAL</u>	<u>FIRE PROTECTION</u>
<b>REVENUES</b>				
Taxes	\$ 29,885,885	\$ 13,162,726	\$ 674,203	\$ 3,529,182
Licenses and permits	3,148,087	-	-	-
Intergovernmental	3,205,028	-	4,214,464	-
Charges for services	590,988	-	2,670,703	748
Fines and forfeitures	1,765,365	-	-	-
Interest	330,417	-	-	54,929
Miscellaneous	546,414	-	-	356,218
Total revenues	<u>39,472,184</u>	<u>13,162,726</u>	<u>7,559,370</u>	<u>3,941,077</u>
<b>EXPENDITURES</b>				
Current:				
General government	10,430,458	-	-	-
Public safety	18,628,331	-	-	6,577,668
Public works	4,277,905	-	8,360,249	-
Health and welfare	793,165	-	-	-
Culture and recreation	5,017,708	-	-	-
Transit and urban development	261,376	-	-	-
Debt service				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Agent fees	-	-	-	-
Miscellaneous	-	-	-	-
Total expenditures	<u>39,408,943</u>	<u>-</u>	<u>8,360,249</u>	<u>6,577,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>63,241</u>	<u>13,162,726</u>	<u>(800,879)</u>	<u>(2,636,591)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,497,660	-	800,879	2,752,118
Transfers out	<u>(8,409,867)</u>	<u>(13,162,726)</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>2,087,793</u>	<u>(13,162,726)</u>	<u>800,879</u>	<u>2,752,118</u>
Net change in fund balances	2,151,034	-	-	115,527
Fund balances - beginning of year	<u>15,412,666</u>	<u>-</u>	<u>-</u>	<u>33,881</u>
Fund balances - end of year	<u>\$ 17,563,700</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,408</u>

The accompanying notes are an integral part of this statement.

<u>GENERAL DEBT</u>	<u>GENERAL CAPITAL PROJECTS</u>	<u>CAPITAL PROJECTS FUNDED WITH BOND PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 4,085,736	\$ -	\$ -	\$ 2,671,923	\$ 54,009,655
-	-	-	-	3,148,087
-	118,226	493,263	1,102,654	9,133,635
-	-	-	-	3,262,439
-	-	-	-	1,765,365
200,793	878,589	75,752	50,408	1,590,888
25,153	3,360,549	46,631	99,335	4,434,300
<u>4,311,682</u>	<u>4,357,364</u>	<u>615,646</u>	<u>3,924,320</u>	<u>77,344,369</u>
-	881,749	-	-	11,312,207
-	1,080,769	-	-	26,286,768
-	2,346,654	2,118,448	2,183,490	19,286,746
-	20,420	-	-	813,585
-	973,589	-	183,669	6,174,966
-	-	-	1,117,940	1,379,316
3,834,868	-	-	1,285,152	5,120,020
1,617,312	-	-	934,396	2,551,708
-	-	-	-	-
36,000	-	-	-	36,000
<u>5,488,180</u>	<u>5,303,181</u>	<u>2,118,448</u>	<u>5,704,647</u>	<u>72,961,316</u>
<u>(1,176,498)</u>	<u>(945,817)</u>	<u>(1,502,802)</u>	<u>(1,780,327)</u>	<u>4,383,053</u>
1,387,061	4,774,752	221	2,104,580	22,317,271
-	(1,351,477)	-	-	(22,924,070)
<u>1,387,061</u>	<u>3,423,275</u>	<u>221</u>	<u>2,104,580</u>	<u>(606,799)</u>
210,563	2,477,458	(1,502,581)	324,253	3,776,254
4,035,794	16,163,476	450,749	590,012	36,686,578
<u>\$ 4,246,357</u>	<u>\$ 18,640,934</u>	<u>\$ (1,051,832)</u>	<u>\$ 914,265</u>	<u>\$ 40,462,832</u>



**CITY OF KENNER, LOUISIANA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances, total governmental funds	\$ 3,776,254
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay expenditures	7,178,456
Depreciation expense	(20,353,582)
Loss on disposal of capital assets	(2,096)
Certain governmental revenues previously deferred in the governmental funds are recognized as revenue in the governmental funds.	(186,957)
The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,850,288
Internal service funds are used by management to charge the costs of insurance to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities.	<u>(1,405,607)</u>
Change in net assets of governmental activities	<u>\$ (5,143,244)</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL</b>
	<b>DEPARTMENT OF WASTEWATER OPERATIONS</b>	<b>CIVIC CENTER OPERATIONS</b>	<b>TOTAL</b>	<b>ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>				
Current assets:				
Cash	\$ 163,804	\$ 781,134	\$ 944,938	\$ 1,351,287
Equity in pooled cash	-	383,995	383,995	8,137
Investments	-	884,462	884,462	1,515,415
Receivables (net, where applicable, of allowances for uncollectibles)				
Intergovernmental	500,000	-	500,000	-
Service charges	1,041,317	145,329	1,186,646	-
Other	-	3,557,563	3,557,563	-
Due from other funds	72,930	-	72,930	469,210
Refundable deposits	3,669	-	3,669	-
Total current assets	1,781,720	5,752,483	7,534,203	3,344,049
Noncurrent assets:				
Capital assets:				
Land	-	3,798,726	3,798,726	-
Buildings and improvements	69,362,431	19,083,656	88,446,087	-
Improvements other than buildings	-	1,702,498	1,702,498	-
Furniture and fixtures	12,481,398	3,863,658	16,345,056	-
Vehicles and field equipment	1,334,338	-	1,334,338	-
Construction in progress	13,648,332	-	13,648,332	-
Less: accumulated depreciation	(45,007,048)	(7,308,753)	(52,315,801)	-
Total capital assets, net	51,819,451	21,139,785	72,959,236	-
Total noncurrent assets	51,819,451	21,139,785	72,959,236	-
Total assets	\$ 53,601,171	\$ 26,892,268	\$ 80,493,439	\$ 3,344,049

(Continued)

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF NET ASSETS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
	<b>DEPARTMENT OF WASTEWATER OPERATIONS</b>	<b>CIVIC CENTER OPERATIONS</b>	<b>TOTAL</b>	
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 483,079	\$ 661,515	\$ 1,144,594	\$ 750
Retainage payable	-	189,565	189,565	-
Estimated claims payable	-	-	-	3,718,580
Current portion of mortgage payable	872	-	872	-
Accrued liabilities	-	26,355	26,355	-
Deposits on future events	-	215,682	215,682	-
Due to other funds	564,773	94,233	659,006	340,134
Deferred revenue	-	15,938	15,938	-
Total current liabilities	<u>1,048,724</u>	<u>1,203,288</u>	<u>2,252,012</u>	<u>4,059,464</u>
 Total liabilities	 <u>1,048,724</u>	 <u>1,203,288</u>	 <u>2,252,012</u>	 <u>4,059,464</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	51,819,451	21,139,785	72,959,236	-
Unrestricted	<u>732,996</u>	<u>4,549,195</u>	<u>5,282,191</u>	<u>(715,415)</u>
Total net assets	<u>\$ 52,552,447</u>	<u>\$ 25,688,980</u>	<u>\$ 78,241,427</u>	<u>\$ (715,415)</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL</u>
	<u>DEPARTMENT OF</u>	<u>CIVIC</u>		<u>ACTIVITIES</u>
	<u>WASTEWATER</u>	<u>CENTER</u>		<u>INTERNAL</u>
	<u>OPERATIONS</u>	<u>OPERATIONS</u>	<u>TOTAL</u>	<u>SERVICE</u>
				<u>FUNDS</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,836,783	\$ 1,338,906	\$ 5,175,689	\$ 4,678,291
Miscellaneous	-	32,610	32,610	-
Total operating revenues	3,836,783	1,371,516	5,208,299	4,678,291
<b>OPERATING EXPENSES</b>				
Supplies and other expenses	-	18,150	18,150	-
Building and maintenance expenses	-	453,996	453,996	-
Outside services	5,391,349	1,208,417	6,599,766	333,331
Insurance claims	-	-	-	1,932,252
Insurance premiums	-	99,241	99,241	4,169,799
Depreciation	2,169,080	734,633	2,903,713	-
Other	14,693	-	14,693	-
Total operating expenses	7,575,122	2,514,437	10,089,559	6,435,382
Operating income (loss)	(3,738,339)	(1,142,921)	(4,881,260)	(1,757,091)
<b>NON-OPERATING REVENUES</b>				
<b>(EXPENSES)</b>				
Ad valorem taxes	445,939	-	445,939	-
Hotel/motel taxes	-	196,045	196,045	-
Cable television franchise fees	-	354,778	354,778	-
Intergovernmental	587,691	-	587,691	-
Interest income	9,505	156,888	166,393	169,232
Interest expense	(292)	-	(292)	-
Proceeds from insurance	-	4,010,212	4,010,212	-
Total non-operating revenues	1,042,843	4,717,923	5,760,766	169,232
Income (loss) before contributions and transfers	(2,695,496)	3,575,002	879,506	(1,587,859)
Capital contributions	1,011,405	-	1,011,405	-
Transfers in	424,547	-	424,547	182,252
Change in net assets	(1,259,544)	3,575,002	2,315,458	(1,405,607)
Net assets - beginning of year	53,811,991	22,113,978	75,925,969	690,192
Net assets - end of year	\$ 52,552,447	\$ 25,688,980	\$ 78,241,427	\$ (715,415)

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
	<b>DEPARTMENT OF WASTEWATER OPERATIONS</b>	<b>CIVIC CENTER OPERATIONS</b>	<b>TOTAL</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 3,783,459	\$ 1,430,362	\$ 5,213,821	\$ 4,678,291
Payments to suppliers	(5,191,724)	(1,607,408)	(6,799,132)	(5,657,084)
Internal activity - receipts from other funds	468,895	-	468,895	481,553
Net cash provided by (used for) operating activities	(939,370)	(177,046)	(1,116,416)	(497,240)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Ad valorem taxes	445,939	-	445,939	-
Hotel/motel taxes	-	418,330	418,330	-
Cable television franchise fees	-	352,755	352,755	-
Internal activity - receipts from other funds	-	94,233	94,233	182,252
Net cash provided by (used for) noncapital financing activities	445,939	865,318	1,311,257	182,252
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Insurance proceeds on capital assets	-	944,946	944,946	-
Grant revenue	87,691	-	87,691	-
Principal payments - mortgage payable	(3,880)	-	(3,880)	-
Interest payments	(292)	-	(292)	-
Internal activity - receipts from other funds	424,548	-	424,548	-
Purchase of capital assets	-	(4,420,431)	(4,420,431)	-
Net cash provided by (used for) capital and related financing activities	508,067	(3,475,485)	(2,967,418)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Proceeds from sales and maturities of investments	-	5,089,841	5,089,841	10,265,153
Purchase of investments	-	(3,455,780)	(3,455,780)	(9,499,509)
Interest and dividends received	9,505	156,888	166,393	169,234
Net cash provided by (used for) investing activities	9,505	1,790,949	1,800,454	934,878
Net increase (decrease) in cash and cash equivalents	24,141	(996,264)	(972,123)	619,890
Cash and cash equivalents, beginning of year	139,663	2,161,393	2,301,056	739,534
Cash and cash equivalents, end of year	\$ 163,804	\$ 1,165,129	\$ 1,328,933	\$ 1,359,424

(Continued)

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>			<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
	<b>DEPARTMENT OF WASTEWATER OPERATIONS</b>	<b>CIVIC CENTER OPERATIONS</b>	<b>TOTAL</b>	
<b>Reconciliation to Statement of Net Assets:</b>				
Cash	\$ 163,804	\$ 781,134	\$ 944,938	\$ 1,351,287
Equity in pooled cash	-	383,995	383,995	8,137
Cash and cash equivalents, end of year	<u>\$ 163,804</u>	<u>\$ 1,165,129</u>	<u>\$ 1,328,933</u>	<u>\$ 1,359,424</u>
<b>Reconciliation of operating income to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ (3,738,339)	\$ (1,142,921)	\$ (4,881,260)	\$ (1,757,091)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	2,169,080	734,633	2,903,713	-
Change in current assets and current liabilities:				
Decrease (increase) in receivables	(53,323)	(15,494)	(68,817)	-
Decrease (increase) in due from other funds	44,365	-	44,365	186,061
Decrease (increase) in prepaid expenses	-	8,932	8,932	-
Increase (decrease) in accounts payable	214,317	164,739	379,056	(700)
Increase (decrease) in deferred revenue	-	-	-	-
Increase (decrease) in accrued liabilities	-	(1,275)	(1,275)	-
Increase (decrease) in estimated claims payable	-	-	-	778,998
Increase (decrease) in due to other funds	424,530	-	424,530	295,492
Increase (decrease) in deposits on future events	-	74,340	74,340	-
Total adjustments	<u>2,798,969</u>	<u>965,875</u>	<u>3,764,844</u>	<u>1,259,851</u>
Net cash provided by (used for) operating activities	<u>\$ (939,370)</u>	<u>\$ (177,046)</u>	<u>\$ (1,116,416)</u>	<u>\$ (497,240)</u>
<b>Noncash investing, capital, and financing activities:</b>				
Contributions of capital	\$ 1,011,405	\$ -	\$ 1,011,405	\$ -
Acquisitions of property, plant and equipment through capital contributions	(1,011,405)	-	(1,011,405)	-
Gain on fair market value of investments	-	10,939	10,939	-
(Increase) in fair market value of investments	-	(10,939)	(10,939)	-
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**June 30, 2007**

	<b>AGENCY FUND</b> <hr/> <b>AIRPORT SALES TAX FUND</b> <hr/>
<b>ASSETS</b>	
Receivables (net, where applicable, of allowance for uncollectibles)	
Intergovernmental	\$ 202,024
Total assets	\$ 202,024
<b>LIABILITIES</b>	
Due to other governments	\$ 202,024
Total liabilities	\$ 202,024

The accompanying notes are an integral part of this statement.

**CITY OF KENNER, LOUISIANA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FIDUCIARY FUND**  
**For the Year Ended June 30, 2007**

	<b>AIRPORT SALES TAX FUND</b>		
	<b>BALANCE</b>		<b>BALANCE</b>
	<b>7/1/2006</b>	<b>ADDITIONS</b>	<b>6/30/2007</b>
<b>ASSETS</b>			
Equity in pooled cash	\$ -	\$ 876,125	\$ 876,125
Intergovernmental	181,771	292,907	272,654
			202,024
Total assets	<u>\$ 181,771</u>	<u>\$ 1,169,032</u>	<u>\$ 1,148,779</u>
			<u>\$ 202,024</u>
<b>LIABILITIES</b>			
Due to other funds	\$ -	\$ 139,786	\$ 139,786
Due to other governments	181,771	202,023	181,770
			202,024
Total liabilities	<u>\$ 181,771</u>	<u>\$ 341,809</u>	<u>\$ 321,556</u>
			<u>\$ 202,024</u>



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

City of Kenner, Louisiana's (the "City") system of government is established by its Home Rule Charter which became effective in 1974. The City operates under a mayor-council form of government. The financial statements of City of Kenner, Louisiana have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**1. REPORTING ENTITY**

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Kenner has no component units.

The Police Chief is an elected official elected by the citizenry in a general, popular election. The City Council approves the annual budget for the Police Department and dedicates portions of the City's revenues to fund this department. The Police Department is not legally separate, and therefore is a function of the primary government and its operations are reported as a part of the City's General Fund.

**2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Certain *indirect costs* are included as part of the program expenses reported for individual functions and activities. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the *economic measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, beer taxes, parking taxes and certain state shared revenues such as tobacco taxes, parish transportation funds, and video poker monies. Sales taxes collected and held by intermediary collecting governments at year-end on behalf of the City government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources and expenditures of the general government, except those required to be accounted for in another fund.

The *One Percent Sales Tax of 1984 Fund* accounts for the proceeds of sales taxes generated by a 1 percent sales tax increase. These funds are to be used to fund a municipal homestead exemption, police protection and various other city services.

The *Garbage Collection and Disposal Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated to solid waste collection throughout the City in residential and some commercial areas.

The *Fire Protection Fund* accounts for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by this fund.

The *General Debt Fund* accounts for the tax levy needed to comply with the interest and principal redemption requirements of bond indentures for the following excess revenue and sales tax bonds:

Sales Tax Bonds Series 1994  
Sales Tax Bonds Series 1995A  
Sales Tax Bonds Series 2003  
Excess Revenue Bonds Series 2000  
Excess Revenue Bonds Series 2001

The *General Capital Projects Fund* accounts for projects originally funded by the General Fund and the Wastewater Operations Fund. Also included are projects funded by riverboat fees.

The *Capital Projects Funded with Bond Proceeds* accounts for projects originally funded by the 1987A Series Bond proceeds, the 1987B Series Bond proceeds and the 1988 Series Bond proceeds. These bonds were refunded by the Sales Tax Refunding Bonds, Series 1992 and subsequently by the Sales Tax Bonds Series 2003. Also included are projects funded by loans from the Louisiana Department of Environmental Quality (LDEQ) and the Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA) and proceeds from the Excess Revenue Bonds Series 2000 and 2001.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)**

The City reports the following major proprietary funds:

The *Department of Wastewater Operations Fund* accounts for the sewer services provided to the residents of the City of Kenner. Effective July 1, 1995, this department was privatized.

The *Civic Center Operations Fund* accounts for the operations of the Pontchartrain Civic Center.

The City reports the following fiduciary fund:

The *Airport Sales Tax Fund* accounts for assets held by the City in a fiduciary capacity for other governmental entities.

Additionally, the City reports the following fund types:

*Internal service funds* account for health insurance and self insurance (automobile, property damage, worker's compensation) provided to other departments or agencies of the City on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Wastewater Operations Fund, Civic Center Operations Fund and of the City's internal service funds are charges to customers for services. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports uncollected revenue on its governmental fund balance sheet. Uncollected revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenue is removed from the governmental fund balance sheet and revenue is recognized.

**4. BUDGETARY ACCOUNTING**

Formal budgetary accounting is employed as a management control device and budgets are legally adopted at the fund level, except for the General Fund for which appropriations are adopted at the department level. Budgets are included as either required supplementary information or other supplementary information for the following funds:

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. BUDGETARY ACCOUNTING (CONTINUED)**

General Fund

Special Revenue Funds

- One Percent Sales Tax of 1984
- Community Development Block Grant
- Garbage Collection and Disposal
- Roads and Bridges
- Street Lighting
- Fire Protection

Debt Service Funds

- General Debt
- Ad Valorem Tax Bonds
- Firemen's Pension Merger Fund

Enterprise Funds

- Department of Wastewater Operations
- Civic Center Operations

Budgetary data for the Capital Project Funds are not presented since these funds are budgeted over the life of the respective project and not on an annual basis. Budgetary accounting is not used for the Internal Service Funds (Self Insurance and Health Insurance Funds) because management considers effective budgetary control achieved since their amounts, which are charged back to other funds, are included as expenditures in each Fund's budget.

Expenditures may not exceed budgeted appropriations at the fund level, except for the General Fund which is at the departmental level. Appropriations lapse at year-end.

Budgets for the General, Special Revenue, Debt Service Funds, and Proprietary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase.

**5. CASH, INVESTMENTS AND POOLED ASSETS**

The City maintains three cash pools as follows:

- a. General Pool - maintains cash balances for all funds except the paving assessments and sewerage assessments funds.
- b. Paving Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.
- c. Sewerage Assessments Pool - maintains cash balances for the General Fund and Debt Service Fund.

The City follows the practice of pooling cash of all funds except for Internal Service Funds and restricted funds due to Trust Agreements and Bond Indenture Agreements. Total cash of the Pool is reported in all funds as "Equity in Pooled Cash". Funds with a negative Equity in Pooled Cash report the advance as an interfund payable and the General Fund, which has been determined to be the receivable fund by management, reports an offsetting interfund receivable. Interest earned on pooled cash is allocated to each individual fund based on its month end "Equity in Pooled Cash".

The entire cash balances in the General Pool Cash account, the Capital Projects Funded with Bond Proceeds and the Enterprise Funds are invested in interest bearing bank accounts. Interest is allocated among funds in the

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**5. CASH, INVESTMENTS AND POOLED ASSETS (CONTINUED)**

General Pool Cash account on the basis of ending monthly cash balances. The balances not needed for transactions in the other accounts are deposited in individual money market funds earning interest at market rates; minimal checks can be written on these accounts.

For the purpose of the Statement of Net Assets, cash includes all demand, and money market accounts of the City. For the purpose of the Proprietary Funds Statement of Cash Flows, all highly liquid investments (including "equity in pooled cash") with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by any governmental agency insuring bank deposits, which is organized under the laws of the United States.

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book entry only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions; certain mutual or trust fund institutions; certain guaranteed investment contracts; and investment grade commercial paper of domestic United States corporations.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 31, *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, all investments are reported at fair value with gains and losses included in the Statement of Revenue and Expenses, and Changes in Net Assets.

**6. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**7. INVENTORIES**

The inventory of materials and supplies acquired by the governmental funds is accounted for under the purchase method. The inventory of parts for vehicle maintenance is accounted for under the consumption method. All inventories are recorded in the General Fund at cost, determined by the first-in, first-out method.

**8. PREPAID ITEMS**

Payments made to vendors for services that will benefit periods beyond June 30, 2007 are recorded as prepaid items in both government-wide and fund financial statements.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**9. CAPITAL ASSETS**

Capital assets, which include land and land improvements, buildings, improvements other than buildings, vehicles, furniture fixtures and equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$2,500 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation on all capital assets, excluding land improvements and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

<u>Asset Description</u>	<u>Asset Life</u>
Buildings and Building Improvements	40
Street system	20 to 40
Drainage system	25
Office Equipment	5 to 12
Machinery and Equipment	10
Vehicles	5
Bridges	40 to 80
Sewerage system	10 to 50

**10. COMPENSATED ABSENCES**

Vacation (annual leave) and sick pay (sick leave) are accrued when earned. Accumulated annual leave and vested sick leave as of the end of the fiscal year is valued using employees' current rates of pay and the liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements.

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences.

**11. LONG-TERM OBLIGATIONS**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond and loan premiums and discounts are deferred and amortized over the life of the bonds or loans using the effective interest method. Bonds and loans payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
June 30, 2007

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**11. LONG-TERM OBLIGATIONS (CONTINUED)**

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**12. FUND EQUITY**

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**13. INTERFUND SERVICES**

Interfund services are accounted for as revenues, expenditures or expenses. Interfund services that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund services are reported as transfers in or out. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

**14. ACCOUNTING ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**1. BUDGET**

The procedures used by the City in establishing the budgetary data reflected in the financial statements are as follows:

- a. Not less than 60 days before the end of the fiscal year, the Mayor recommends to the City Council a proposed operating budget for the ensuing fiscal year. The budget is prepared by fund, department (for the General Fund), function, and object, and includes information on the past year, current year estimates, and requested appropriations for the ensuing fiscal year.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
June 30, 2007

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**1. BUDGET (CONTINUED)**

- b. The proposed budget is summarized and advertised and, within 45 days thereafter, public hearings are conducted to obtain taxpayer comments.
- c. The operating budget is then legally adopted through council ordinance prior to June 15.
- d. The Mayor is authorized to transfer budgeted amounts within funds, except for the General Fund which is at the departmental level; however, any revisions that alter the total expenditures of a fund or department in the case of the General Fund must be approved by the City Council.

The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate designated and/or reserved funds rolling forward from the previous year as well as amend the distributions of operating funds already appropriated.

The Schedules of Revenues, Expenditures, and Changes in Fund Balances - Actual and Budget (Budgetary Basis) - General, One Percent Sales Tax of 1984 Fund, Garbage Collection and Disposal, Fire Protection Fund and General Debt Fund present comparisons of the legally adopted budget, with actual data on the budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles (GAAP), a reconciliation of the resulting basis and timing differences in the net change in fund balances for the year ended June 30, 2007, is presented below:

	<u>General</u>	<u>One Percent Sales Tax of 1984 Fund</u>	<u>Garbage Collection &amp; Disposal</u>	<u>Fire Protection Fund</u>	<u>General Debt Fund</u>
Net change in fund balances (budgetary basis)	\$ 2,105,088	\$ -	\$ -	\$ -	\$ 210,563
Adjustments:					
Timing differences:					
To adjust for encumbrances	(886,312)	-	-	115,527	-
Entity differences:					
To adjust for funds not budgeted	932,258	-	-	-	-
Net change in fund balances (GAAP basis)	<u>\$ 2,151,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,527</u>	<u>\$ 210,563</u>

**2. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following funds had expenditures in excess of appropriations for the year ended June 30, 2007:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund:			
Personnel Department	\$ 336,038	\$ 329,774	\$ (6,264)
General Municipal Expense	\$ 4,838,398	\$ 4,528,551	\$ (309,847)
Insurance Section	\$ 1,205,055	\$ 1,187,000	\$ (18,055)
Transit Section	\$ 261,376	\$ 227,771	\$ (33,605)
Special Revenue Funds:			
Roads and Bridges Fund	\$ 994,486	\$ 955,780	\$ (38,706)
Street Lighting Fund	\$ 1,452,406	\$ 1,313,790	\$ (138,616)
Garbage Collection and Disposal Fund	\$ 11,971,621	\$ 10,867,824	\$ (1,103,797)
Enterprise Fund:			
Civic Center Operations	\$ 2,771,995	\$ 2,661,098	\$ (110,897)



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**2. EXPENDITURES IN EXCESS OF APPROPRIATIONS (CONTINUED)**

Budgetary control is maintained at the department level for the General Fund. Certain sections within departments of the General Fund reported expenditures in excess of appropriations. Except for the Personnel Department, General Municipal Expense, Insurance Section and Transit Section, no other department's expenditures exceeded appropriations. Certain expenditures were accrued for financial statement purposes resulting in expenditures exceeding appropriations for the Personnel Department, General Municipal Expense, Insurance Section and Transit Section.

Expenditures exceeded appropriations in the Roads and Bridges Fund, the Street Lighting Fund, the Garbage Collection and Disposal Fund and the Civic Center Operations Fund. The City's budget is prepared on a cash basis. However, certain expenditures were accrued for financial statement purposes resulting in expenditures exceeding appropriations for these funds. Additionally, the bulk of the unbudgeted expenditures in the Garbage Collection and Disposal Fund were due to hurricane clean-up expenditures which were paid after the amended budget was enacted.

**NOTE C - DEPOSITS AND INVESTMENTS**

Deposits

At June 30, 2007, the City of Kenner has cash (book balances) totaling \$19,708,273, as follows:

Governmental Funds:	
Petty cash	\$ 3,850
Demand deposits	4,734,924
Money market funds	12,289,176
Proprietary Funds:	
Enterprise Fund	
Petty cash	500
Demand deposits	804,354
Advance to manager	524,079
Internal Service Fund:	
Demand deposits	1,351,390
	<u>\$ 19,708,273</u>

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note A. At June 30, 2007, the City's demand deposit bank balances of \$9,552,038 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name. The money market funds are invested in U.S. Treasury securities held by the City's agent in the City's name.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2007 since the investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note A, which has no provision for custodial credit risk.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2007, the City had no investments in any one entity which exceeded 5% of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which does not include a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE C - DEPOSITS AND INVESTMENTS (CONTINUED)**

As of June 30, 2007, the City had the following investment in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
Obligations of Federally Sponsored Entities	\$ 13,866,646	\$ 13,866,646	\$ -	\$ -	\$ -

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. The City invested only in obligations of federally sponsored entities in the amount of \$13,866,646, which are not rated. The type of investment allowed by state law ensures that the City is not exposed to credit risk.

**NOTE D - EQUITY IN POOLED CASH**

A reconciliation of total equity in pooled cash is presented below.

	General Pool	Paving Assessments Pool	Sewerage Assessments Pool	Total
<u>Equity in Pooled Cash</u>				
Cash	\$ 2,295,468	\$ 275,663	\$ 5,333	\$ 2,576,464
Total Equity in Pooled Cash	\$ 2,295,468	\$ 275,663	\$ 5,333	\$ 2,576,464
<u>Equity in Pool</u>				
General	\$ 157,798	\$ 259,660	\$ 5,333	\$ 422,791
Fire Protection	-	-	-	-
General Debt	502,102	16,003	-	518,105
General Capital Projects	912,828	-	-	912,828
Capital Projects Funded with Bond Proceeds	138,678	-	-	138,678
Civic Center Operations	383,995	-	-	383,995
Other Governmental	191,930	-	-	191,930
Internal Service Funds	8,137	-	-	8,137
Total Equity in Pool	\$ 2,295,468	\$ 275,663	\$ 5,333	\$ 2,576,464

**NOTE E - ALLOWANCE FOR DOUBTFUL ACCOUNTS**

An allowance for estimated uncollectible receivables is established based on historical collection experience and other relevant circumstances. The allowance for estimated uncollectibles at June 30, 2007, consists of the following amounts:

General Fund	\$ 810,477
Proprietary Funds:	
Department of Wastewater Operations	\$ 56,755

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE F - SALES TAX**

A sales tax of 8.75% for the period of July 1, 2006 through June 30, 2007 was collected on purchases in the City of Kenner (food and drugs are taxed at a 6% rate, and hotel/motel rooms at a 9% rate). Of the 8.75% total, 4.0% is levied by the state, and 4.75% by Jefferson Parish, for itself and other local government subdivisions within the Parish. The following table for parish taxes lists the effective year of each authorized tax rate, the Parish-wide tax rate (which includes  $\frac{1}{6}\%$  retained by the Parish), the rate collected for the benefit of the Jefferson Parish School Board, and the rate collected for the benefit of the City of Kenner.

<u>Effective Date</u>	<u>Parish-Wide Rate</u>	<u>School Board Rate</u>	<u>City Rate</u>
1954	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1966	1%	$\frac{1}{2}\%$	$\frac{1}{2}\%$
1980	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1981	$\frac{1}{2}\%$	-	$\frac{1}{3}\%$
1984	1%	-	1%
1993	$\frac{1}{2}\%$	$\frac{1}{2}\%$	-
1994	$\frac{1}{4}\%$	-	$\frac{1}{4}\%$
<b>TOTAL</b>	<u><math>4\frac{3}{4}\%</math></u>	<u>2%</u>	<u><math>2\frac{7}{12}\%</math></u>

The Jefferson Parish Sheriff's Office (a separate reporting entity) collects all parish taxes, except on motor vehicle sales, and retains 9.5 to 11 percent as a collection commission on the share going to local governments. The state collects parish taxes on motor vehicle sales, and remits them back to the Parish of registration.

The Sheriff prorates this motor vehicle tax back to the municipalities in proportion to the sales tax collected within each municipality. Taxes due on sales in a month must be remitted by the merchants to the Sheriff by the 20th of the following month. The Sheriff distributes these collections to the local governments approximately 30 days later.

**NOTE G - AD VALOREM TAX**

The ad valorem tax on real property is levied as of November 15th of each year. The tax becomes an enforceable lien on the property on the first day of the month following the filing of the tax rolls by the Assessor with the Louisiana Tax Commission (usually December 1st). The tax bills are mailed by the City in mid November and are due upon receipt. The taxes become delinquent on January 1st in the year after levy. The taxes are levied on property values determined by the Jefferson Parish Assessor's Office. All land and residential improvements are assessed at 10 percent of their fair market value and other property at 15 percent of its fair market value. Ad valorem taxes are levied (per \$1,000 assessed value) in varying amounts for maintenance and operation, debt service and capital improvements for the City. The number of mills levied for 2006, which are collected and reported as revenue for the fiscal year ended June 30, 2007 is as follows:

<u>FUND</u>	<u>2006 MILLS</u>
General Fund	2.75
Garbage Collection and Disposal Fund	2.12
Fire Department Fund	9.76
Department of Wastewater Operations Fund	1.51
Capital Projects for Road Bonds Fund	<u>7.79</u>
<b>Total</b>	<u><u>23.93</u></u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE H - CAPITAL ASSETS**

1. Capital asset activity for the fiscal year ended June 30, 2007 was as follows:

	<u>June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>June 30, 2007</u>
<b>Governmental Activities</b>					
Capital assets not being depreciated:					
Land	\$ 9,674,378	\$ -	\$ -	\$ -	\$ 9,674,378
Construction-in-progress	<u>8,955,719</u>	<u>6,026,566</u>	<u>-</u>	<u>(3,730,224)</u>	<u>11,252,061</u>
Total capital assets not being depreciated	<u>18,630,097</u>	<u>6,026,566</u>	<u>-</u>	<u>(3,730,224)</u>	<u>20,926,439</u>
Capital assets being depreciated:					
Buildings and building improvements	51,410,041	5,400	-	-	51,415,441
Improvements other than buildings	2,136,484	50,904	-	1,747,823	3,935,211
Street system	272,047,169	-	-	1,186,895	273,234,064
Drainage system	369,656,467	-	-	-	369,656,467
Furniture, Fixtures and Equipment	16,565,009	461,908	(208,170)	795,506	17,614,253
Vehicles	10,315,537	633,678	(94,651)	-	10,854,564
Bridges	<u>2,787,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,787,808</u>
Total capital assets being depreciated	<u>724,918,515</u>	<u>1,151,890</u>	<u>(302,821)</u>	<u>3,730,224</u>	<u>729,497,808</u>
Less accumulated depreciation for:					
Buildings and building improvements	25,845,735	926,154	-	-	26,771,889
Improvements other than buildings	306,336	128,036	-	-	434,372
Street system	135,354,810	6,867,421	-	-	142,222,231
Drainage system	243,803,404	10,088,099	-	-	253,891,503
Furniture, fixtures and equipment	9,377,314	1,420,323	(187,923)	-	10,609,714
Vehicles	8,400,351	842,520	(112,798)	-	9,130,073
Bridges	<u>303,606</u>	<u>81,029</u>	<u>-</u>	<u>-</u>	<u>384,635</u>
Total accumulated depreciation	<u>423,391,556</u>	<u>20,353,582</u>	<u>(300,721)</u>	<u>-</u>	<u>443,444,417</u>
Total capital assets being depreciated, net	<u>301,526,959</u>	<u>(19,201,692)</u>	<u>(2,100)</u>	<u>3,730,224</u>	<u>286,053,391</u>
Governmental activities capital assets net	<u>\$320,157,056</u>	<u>\$(13,175,126)</u>	<u>\$ (2,100)</u>	<u>\$ -</u>	<u>\$306,979,830</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE H - CAPITAL ASSETS (CONTINUED)**

	<u>June 30, 2006</u>	<u>Additions</u>	<u>Reductions/ Transfers</u>	<u>Completed Construction</u>	<u>June 30, 2007</u>
<b>Business-Type Activities</b>					
Capital assets not being depreciated:					
Land	\$ 3,798,726	\$ -	\$ -	\$ -	\$ 3,798,726
Construction-in-progress	<u>12,636,927</u>	<u>1,011,405</u>	<u>-</u>	<u>-</u>	<u>13,648,332</u>
Total capital assets not being depreciated	<u>16,435,653</u>	<u>1,011,405</u>	<u>-</u>	<u>-</u>	<u>17,447,058</u>
Capital assets being depreciated:					
Buildings and building improvements	84,090,091	4,355,996	-	-	88,446,087
Improvements other than buildings	1,702,498	-	-	-	1,702,498
Furniture, fixtures and equipment	16,091,056	254,003	-	-	16,345,059
Vehicles	<u>1,334,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,334,338</u>
Total capital assets being depreciated	<u>103,217,983</u>	<u>4,609,999</u>	<u>-</u>	<u>-</u>	<u>107,827,982</u>
Less accumulated depreciation for:					
Buildings and building improvements	36,486,207	2,289,831	-	-	38,776,038
Improvements other than buildings	1,063,575	85,125	-	-	1,148,700
Furniture, fixtures and equipment	10,606,819	497,027	-	-	11,103,846
Vehicles	<u>1,255,486</u>	<u>31,730</u>	<u>-</u>	<u>-</u>	<u>1,287,216</u>
Total accumulated depreciation	<u>49,412,087</u>	<u>2,903,713</u>	<u>-</u>	<u>-</u>	<u>52,315,800</u>
Total capital assets being depreciated, net	<u>53,805,896</u>	<u>1,706,286</u>	<u>-</u>	<u>-</u>	<u>55,512,182</u>
Business-type activities capital assets, net	<u>\$ 70,241,549</u>	<u>\$ 2,717,691</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,959,240</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE H - CAPITAL ASSETS (CONTINUED)**

2. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 724,790
Public safety	1,464,290
Public works	17,297,314
Culture and recreation	864,554
Health and Welfare	<u>2,634</u>

Total depreciation expense - governmental activities \$ 20,353,582

Business-type activities:

Wastewater Operations	\$ 2,169,080
Civic Center Operations	<u>734,633</u>

Total depreciation expense - business-type activities \$ 2,903,713

3. Construction in progress for governmental activities is comprised of the following:

	Project/Contract Authorization June 30, 2007	Expended to June 30, 2007	Committed	Required Future Financing
General government	\$ 586,714	\$ 576,088	\$ 10,626	\$ 10,626
Public works	6,740,827	6,405,579	335,248	335,248
Public safety	1,182,466	1,081,311	101,155	101,155
Health and welfare	66,433	66,433	-	-
Culture and recreation	<u>3,122,650</u>	<u>3,122,650</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,699,090</u>	<u>\$ 11,252,061</u>	<u>\$ 447,029</u>	<u>\$ 447,029</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE I - LONG-TERM DEBT**

**1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS**

Long-term debt at June 30, 2007 includes the following serial bonds and certificates:

	Interest Rates	Final Maturity Date	Range of Annual Principal Payments		Amount Issued	Amount Outstanding
			From	To		
Sales Tax Bond, Series 2003	1.3 – 5.0%	6/01/2018	\$ 2,055,000	\$ 3,055,000	\$ 35,895,000	\$27,970,000
Sales Tax Bonds, Series 1994	2.95%	6/01/2016	570,000	740,000	11,427,803	5,955,000
Sales Tax Bonds, Series 1995A	2.95%	6/01/2016	70,000	90,000	1,462,875	725,000
Certificates of Indebtedness, Series 2000	5.375%	1/01/2010	1,025,000	1,155,000	9,000,000	3,265,000
Certificates of Indebtedness, Series 2001	3.25 – 4.10%	7/01/2011	155,000	200,000	<u>1,500,000</u>	<u>880,000</u>
Total Bonds and Certificates					<u>\$ 59,285,678</u>	<u>\$ 38,795,000</u>

Additional information pertaining to the foregoing bonds and certificates is as follows:

**a. Sales Tax Bonds**

The Sales Tax Bonds, Series 2003 and the Sales Tax Bonds, Series 1994 and 1995A are all obligations of the City. These bonds are secured by, and payable from the City's allocation of the proceeds of sales taxes collected pursuant to Louisiana Legislative Acts 188 of 1954 and 29 of 1966 collected and remitted by the Parish of Jefferson. At June 30, 2007, bonds outstanding were \$27,970,000, \$5,955,000 and \$725,000, respectively. The amount available in the Debt Service Funds was \$2,567,739.

The amounts outstanding for the Sales Tax Bonds, Series 1994 and 1995A represent the unpaid amounts drawn down as of June 30, 2007 through loans obtained from the Louisiana Department of Environmental Quality. These loans are secured by the Sales Tax Bonds, Series 1994 and 1995A.

The City has developed a Wastewater Compliance Plan as a result of an EPA Administrative Order to perform those tasks necessary for its three wastewater treatment plants to comply with the effluent limitations of their discharge permits. In July 1994, the City obtained approval for a loan in the amount of \$11,430,000 from the Louisiana Department of Environmental Quality (LDEQ), of which \$11,427,830 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. Interest payments and an administrative fee is payable semi-annually at a rate of 2.45% and .50%, respectively, based on the total amounts drawn on the loan. At June 30, 2007, the loan had an outstanding balance of \$5,955,000. Total interest and administrative fees paid during the year ended June 30, 2007 were \$159,863 and \$32,625, respectively.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE 1 - LONG-TERM DEBT (CONTINUED)**

**1. GENERAL OBLIGATION, SPECIAL TAX AND EXCESS REVENUE BONDS**

**a. Sales Tax Bonds (Continued)**

Due to the shortage of funding, in April 1995 the City obtained approval for a second Louisiana Department of Environmental Quality loan in the amount of \$3,395,000, of which \$1,462,875 was actually received. The loan will be repaid over a period of twenty years commencing with the completion of the project. The characteristics of this second loan are similar to those noted on the first loan above. At June 30, 2007, the loan had an outstanding balance of \$725,000. Total interest and administrative fees paid during the year ended June 30, 2007 were \$19,478 and \$3,975, respectively.

The funding necessary to service these loans was obtained from the dedication of the 1954 (1/2 cent) and 1966 (1/2 cent) sales tax revenues.

**b. Excess Revenue Bonds**

Certificates of Indebtedness Series 2000 were issued for the purpose of refunding the outstanding Certificates of Indebtedness, Series 1996A and 1996B, and providing funds to match certain grants for capital improvements to the City's sewer system and planetarium in Rivertown. At June 30, 2007, bonds outstanding were \$3,265,000.

Certificates of Indebtedness Series 2001 were issued for the purchase of land in the Laketown area. At June 30, 2007, bonds outstanding were \$880,000. The amount available in the Debt Service Funds was \$1,662,613.

**2. FIREMEN'S PENSION MERGER PAYABLE**

In March 1998, the required three-fourths vote of the active and inactive members approved the merger with the Firefighters Retirement System ("FRS"). Approval of the merger was received from the FRS and the Joint Retirement Committee. The City Council approved the merger in December 1998 and signed an agreement with SFRS on March 25, 1999 regarding the payment of the merger liability. The final merger liability as of March 27, 1999 was \$14,050,233, which represents 60% of the accrued liability for active employees (\$6,301,446) and 100% of the accrued liability for retired employees (\$7,748,787). The Fund transferred assets in the amount of \$11,130,143 to the FRS to pay the merger liability. The value of the transferred assets for purposes of the merger as discounted from the date of receipt to the merger date of March 27, 1999, at the system's actuarial valuation interest rate of 7% was \$11,089,495. The remaining liability of \$2,960,738 plus interest at the rate of 7% per annum was assumed by the City of Kenner to be paid over 30 years.

At June 30, 2007, \$465,637 was available in the Firemen's Pension Merger Fund (Debt Service Fund). The City has split the liability to be amortized into two components as follows:

\$1,190,000 of the liability is payable monthly at a rate of 7%. The monthly payments including interest are \$7,917. At June 30, 2007, the merger payable for this component had a total outstanding balance of \$1,059,806.

\$1,770,738 of the liability is payable annually at a rate of 7%. The annual payments including interest are \$142,697. At June 30, 2007, the merger payable for this component had a total outstanding balance of \$1,578,410.

The funding necessary to service this merger payable was obtained from the dedication of the fire insurance tax received from the State of Louisiana and the reduction in the City's contribution rate under the Statewide Plan.



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
June 30, 2007

**NOTE I - LONG-TERM DEBT (CONTINUED)**

**3. LOUISIANA COMMUNITY DEVELOPMENT AUTHORITY LOAN**

In 2003, the City executed a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the "LCDA") for the purpose of providing funding for acquisition, construction, and maintenance of roads within the City. The LCDA Revenue Bonds (Kenner Road Project) Series 2003 authorized a loan amount of \$22,000,000. Loan Proceeds of \$22,000,000 were received in April 2003. As of June 30, 2007, \$17,240,000 of such loans were outstanding and \$34,131 was available in Debt Service Funds.

**4. MORTGAGE PAYABLE**

In June 1978, City of Kenner obtained a loan in the amount of \$40,000 at an interest rate of 9.75% for the purchase of land and an existing building. This loan is accounted for in the Wastewater Operations Enterprise Fund. At June 30, 2007, the mortgage payable had an outstanding balance of \$872.

**5. GENERAL DEBT**

**a. Capital Lease Obligations**

The City has capital lease obligations on various facilities and equipment. See Note O - Lease Commitments - General.

**b. Compensated Absences**

General

All employees, except police and fire employees, earn sick leave at the following rates:

Full time employees:	1 day/month not to exceed 12 days/year
Regular part time employees:	$\frac{1}{2}$ day/month not to exceed 6 days/year

Employees earn annual leave in varying amounts according to years of service as follows:

<u>Service (years)</u>	<u>Amount</u>
Full time employees:	
0 - 5	1 day/month
5 - 10	1 $\frac{1}{2}$ day/month
over 10	2 days/month
Regular part time employees:	
0 - 5	$\frac{1}{2}$ day/month
5 - 10	$\frac{3}{4}$ day/month
over 10	1 day/month

Employees are required to use their annual leave during the calendar year following the year in which it is earned. Annual leave not used by December 31 of the calendar year is determined for each employee. Half of this leave is lost and half is carried forward to be paid upon separation of service. This carryforward time is not available to be taken as annual leave in future periods. Annual leave is payable upon separation of service. Sick leave is accumulated without time limitation and is payable up to a maximum of 90 days upon retirement or death.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE 1 - LONG-TERM DEBT (CONTINUED)**

**5. GENERAL DEBT (CONTINUED)**

In accordance with Statement No. 16 of the Governmental Accounting Standards Board, "*Accounting for Compensated Absences*", an additional liability is recorded for salary related payments associated with the future payment of compensated absences. Such salary related payments consist of the City's portion of Medicare tax withholding.

For governmental activities, compensated absences are generally liquidated by the general fund, community development fund, roads and bridges fund, street lighting fund, and fire department fund.

Fire Department

Firefighters receive 18 days of annual leave after one year of service. After 10 years of service employees receive one additional day of annual leave for each additional year of service to a maximum of 30 days per year. Vacation time not used by December 31 is lost.

Firefighters receive 90 days of sick leave when they join the Department. Any sick time taken is applied against this accumulation. At retirement, the employee is paid for any unused sick leave up to a maximum of 90 days. Employees receive 365 days of sick leave with medical determination.

Police Department

Police personnel earn annual leave in varying amounts according to years of service as follows:

<u>Years</u> <u>Service</u>	<u>Civil</u> <u>Service</u> <u>Amount</u>
0 - 1 Year	- 0 -
1 - 10 Years	15 Days
10 - 20 Years	20 Days
Over 20 Years	25 Days

Non-civil service employees earn annual leave as previously detailed for general employees of the City.

These hours are accrued on January 1st, and are for use only in the calendar year. Hours not taken by December 31st are lost. If an employee terminates employment, they are paid for the annual leave they have remaining on the books.

Police personnel earn sick leave at the following rates:

Full time employees:	8 hours/month not to exceed 12 days (96 hours)/year
Regular part time employees:	$\frac{1}{2}$ day (4 hours)/month not to exceed 6 days (48 hours)/year

Upon retirement, employees are entitled to receive pay for accrued, unused sick leave days up to a maximum of 90 days.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE I - LONG-TERM DEBT (CONTINUED)**

**6. CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2007:

	<u>Balance</u> <u>6/30/2006</u>	<u>Issues or</u> <u>Additions</u>	<u>Payments or</u> <u>Expenditures</u>	<u>Discount/</u> <u>(Premium)</u>	<u>Balance</u> <u>6/30/2007</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities</b>						
Sales Tax Revenue Bonds	\$ 38,298,803	\$ -	\$ 2,695,000	\$ (130,653)	\$ 35,473,150	\$ 2,938,856
Certificate of Indebtedness	5,260,000	-	1,115,000	-	4,145,000	1,180,000
Note Payable	2,688,403	-	50,152	-	2,638,251	53,709
LCDA Series 2003 Loan	18,714,641	-	1,235,000	(33,937)	17,445,704	1,326,407
Capital Lease Obligations	24,867	-	24,867	-	-	-
Compensated Absences	<u>4,256,399</u>	<u>149,150</u>	<u>745,751</u>	<u>-</u>	<u>3,659,798</u>	<u>2,278,080</u>
Total Government Activities	<u>69,243,113</u>	<u>149,150</u>	<u>5,865,770</u>	<u>(164,590)</u>	<u>\$ 63,361,903</u>	<u>\$ 7,777,052</u>
<b>Business-Type Activities</b>						
Mortgage Payable	<u>4,751</u>	<u>-</u>	<u>3,879</u>	<u>-</u>	<u>872</u>	<u>872</u>
Total Business-Type Activities	<u>4,751</u>	<u>-</u>	<u>3,879</u>	<u>-</u>	<u>872</u>	<u>872</u>
<b>Total Governmental and Business-Type Activities</b>	<u>\$ 69,247,864</u>	<u>\$ 149,150</u>	<u>\$ 5,869,649</u>	<u>\$ (164,590)</u>	<u>\$ 63,362,775</u>	<u>\$ 7,777,924</u>

The annual requirements to maturity for sales tax bonds as of June 30, 2007 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 2,820,000	\$ 1,232,263
2009	2,905,000	1,147,264
2010	2,980,000	1,066,616
2011	3,075,000	977,714
2012	3,165,000	884,646
2013-2017	16,650,000	2,744,851
2018	<u>3,055,000</u>	<u>139,106</u>
	<u>\$ 34,650,000</u>	<u>\$ 8,192,460</u>

The annual requirements to maturity for certificates of indebtedness as of June 30, 2007 are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,180,000	\$ 205,705
2009	1,250,000	144,890
2010	1,330,000	80,374
2011	185,000	11,633
2012	<u>200,000</u>	<u>4,100</u>
	<u>\$ 4,545,000</u>	<u>\$ 446,702</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE 1 - LONG-TERM DEBT (CONTINUED)**

**6. CHANGES IN LONG-TERM DEBT (CONTINUED)**

The annual requirements to maturity for the Firemen's Pension Merger Payable as of June 30, 2007 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 53,709	\$ 183,994
2009	57,517	180,186
2010	61,596	176,109
2011	65,965	171,738
2012	70,643	167,059
2013-2017	435,865	752,649
2018-2022	613,976	574,538
2023-2027	864,895	332,622
2028-2029	<u>414,085</u>	<u>37,604</u>
	<u>\$ 2,638,251</u>	<u>\$ 2,576,499</u>

The annual requirements to maturity for the LCDA Series 2003 Loan as of June 30, 2007 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 1,295,000	\$ 691,158
2009	1,350,000	642,358
2010	1,390,000	593,833
2011	1,440,000	539,855
2012	1,490,000	483,480
2013-2017	8,385,000	1,493,005
2018	<u>1,890,000</u>	<u>41,580</u>
	<u>\$ 17,240,000</u>	<u>\$ 4,485,269</u>

The annual requirements to maturity for the mortgage payable as of June 30, 2007 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 872	\$ -
	<u>\$ 872</u>	<u>\$ -</u>

**7. COMPLIANCE**

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE J - RESERVATIONS AND DESIGNATIONS OF FUND BALANCE**

The nature and purpose of the reserves and designations as presented in the fund financial statements are as follows:

Reserved for Encumbrances

This reserve was established for outstanding purchase orders and other commitments for unperformed contracts for goods and services which the City intends to honor.

Reserved for Inventory

This reserve was established as an offset against the asset, inventory, because it does not constitute an available spendable resource of the General Fund.

Reserved for Prepaid Items

This reserve was established as an offset against the asset, prepaid items, because it does not constitute an available spendable resource of the General Fund.

Reserved for Restricted Expenditures

This reserve was created to restrict the use of all resources remaining in the Special Assessment Funds and the Drug Enforcement Forfeiture Fund included in the General Fund. The restriction is mandated by the terms of the bond indentures in that the amounts on hand are to be used only for similar projects in the assessment area.

Reserved for Debt Service

This reserve represents the amounts reserved for payment of principal and interest maturing in future years.

Designated for Subsequent Years' Expenditures

*This designation represents the expenditures budgeted in 2007-2008, paid from funds remaining in 2006-2007.*

Designated for Capital Additions and Improvements

The proceeds of various bond issues and the interest earned on the investment thereof are designated for capital projects in the various capital projects funds to the extent that such amount has not been reserved for encumbrances.

**NOTE K - INTEREST COST**

Interest expense incurred in the business-type activities during the year was as follows:

	<u>DEPARTMENT OF WASTEWATER OPERATIONS</u>	<u>CIVIC CENTER OPERATIONS</u>
Interest expense	\$ <u>292</u>	\$ <u>-</u>

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

A summary of interfund transfers at June 30, 2007 are as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>
General Fund	One Percent Sales Tax of 1984 Fund	\$ 10,363,113
	General Capital Projects	134,547
Garbage Collection	General Fund	611,273
	One Percent Sales Tax of 1984 Fund	189,606
Fire Protection Fund	General Fund	1,879,205
	One Percent Sales Tax of 1984 Fund	872,913
General Debt Fund	General Fund	187,980
	General Capital Projects	1,199,081
General Capital Projects	General Fund	4,774,752
Capital Projects Funded with Bond Proceeds	General Capital Projects	221
Wastewater Operations	General Fund	424,547
Nonmajor Governmental Funds	General Fund	349,858
	One Percent Sales Tax of 1984 Fund	1,737,094
	General Capital Projects	17,628
Internal Service Funds	General Fund	<u>182,252</u>
		<u>\$ 22,924,070</u>

Transfers are primarily used to move funds from:

General Fund – to the Garbage Collection & Disposal Fund for garbage collection and debris removal expenditures, to the Fire Protection Fund to cover expenditures in excess of dedicated revenues, to the General Capital Projects the gaming revenues dedicated for capital projects, to the Wastewater Operations Fund to cover revenue shortfalls and equipment purchases, to the General Debt Fund to fund debt service requirements and to the Internal Service Funds to cover self-insurance costs.

One Percent Sales Tax of 1984 Fund - to the General, Garbage Collection & Disposal, and Fire Protection Funds to reimburse losses from homestead exemption and to pay expenditures for the Roads & Bridges and Street Lighting Funds.

General Capital Projects - to the General Debt Fund the 25% of riverboat revenues dedicated to debt service, to the General Fund for unspent funds and to the Capital Projects Funded with Bond Proceeds Funds to transfer expenditures from one capital project fund to another.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE L - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

The composition of interfund balances as of June 30, 2007, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	One Percent Sales Tax of 1984 Fund	\$ 2,160,615
	Garbage Collection	4,589,696
	Fire Protection	1,869,291
	General Capital Projects	2,654,990
	Capital Projects Funded with Bond Proceeds	1,910,791
	Wastewater	564,773
	Civic Center Operations	94,233
	Nonmajor governmental funds	52,956
	Internal Service Funds	340,134
One Percent Sales Tax of 1984 Fund	Nonmajor governmental funds	157,936
Garbage Collection	General Fund	102,376
	One Percent Sales Tax of 1984 Fund	11,772
Fire Protection Fund	General Fund	459,728
	One Percent Sales Tax of 1984 Fund	113,438
General Debt Fund	Capital Projects Funded with Bond Proceeds	625,710
General Capital Projects	General Fund	5,707,618
	Nonmajor governmental funds	16,663
Capital Projects Funded with Bond Proceeds	General Fund	216,095
	General Capital Projects	300,000
Wastewater Operations	General Fund	72,930
Nonmajor Governmental Funds	General Fund	485,656
	One Percent Sales Tax of 1984 Fund	14,286
Internal Service Funds	General Fund	355,760
	Fire Protection	113,450
		<u>\$ 22,990,897</u>

The above due to/from other funds were short-term receivables or payables in the normal course of the City's operations.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE M - TREASURE CHEST RIVERBOAT CASINO AGREEMENT**

The City of Kenner and Treasure Chest Casino, L.L.C. entered into a lease of property in Laketown, Kenner on December 3, 1993 for Treasure Chest Casino, L.L.C.'s riverboat gaming operations. The term of the lease is divided into three phases, an Initial Term, a Primary Term, and at the Lessee's option, one or more Renewal Terms. The "Initial Term" of the lease began on the date of execution and continued until July 1, 1994. The "Primary Term" of the lease was for five years beginning on July 1, 1994 and the Lessee has the option to extend the term of this lease for six additional Renewal Terms of five years each. Lease payments to the City include a minimum annual rent ("Base Rent") determined by multiplying the actual number of passengers during the first three quarters of the prior fiscal year by \$2.50. In addition to the Base Rent, the Lessee shall pay to the City an amount equal to \$2.50 for each passenger in excess of the number of passengers used to determine the Base Rent for that particular year ("Per Capita Rent"). In addition to the Base Rent and Per Capita Rent, the Lessee pays the City the "Percentage Rent" in an amount equal to the greater of 1% of its net gaming proceeds and any admission fees in excess of \$10.00 per passenger or the "minimum percentage rent". The Minimum Percentage Rent equals the Percentage Rent for the first three quarters of the preceding base fiscal year. Such Percentage Rent shall be used to subsidize City projects such as City Recreational Facilities, City Playgrounds, Tourism Advertisement and Brochures, Convention Center/Hotel Shuttle, Trolley Transportation, City Museums, Alzheimer's Center Operations, City Sponsored Summer Camps, and City Senior Citizens Activities. Any funds remaining shall be dedicated to City capital projects.

The Kenner Police Department is entitled to 24% of all lease revenues received by the City. Additionally, the lessee agrees to pay to the Kenner Police Department the greater of \$400,000 or 1% of net gaming proceeds.

In September 1994, the riverboat casino began operations.

**NOTE N - RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To account for and finance its uninsured risks of loss, the City has established a Self-Insurance Fund (an internal service fund). Under this program, the Self-Insurance Fund provides coverage for up to a maximum of \$250,000 for each general liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; \$250,000 for each auto liability claim with commercial insurance for claims in excess of coverage provided by the fund up to \$10,000,000; and \$325,000 for each worker's compensation claim with commercial insurance for claims in excess of coverage provided by the fund up to \$1,000,000. The City purchases commercial insurance for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Also, the Fund provides coverage for auto/physical damage which requires a \$1,000 deductible per department per occurrence. The remaining balance on the claim is paid by the Fund.

All funds of the City with employees, except for the Department of Wastewater Operations and the Civic Center Operations Funds, participate in the program and make payments to the fund based on an actuarial valuation dated November 2003 adjusted by the actual performance of the programs using historical experience. The claims liability of \$3,718,580 (which includes claims incurred but not reported in the Fund at June 30, 2007) is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Governmental Accounting Standards Board Statement No. 30, *"Risk Financing Omnibus - An Amendment of GASB Statement No. 10"*, requires that specific, incremental claim adjustment expenses and estimated recoveries be considered in calculating the claims liability.



**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
June 30, 2007

**NOTE N - RISK MANAGEMENT (CONTINUED)**

Changes in the balances of claims liabilities during fiscal years 2005, 2006, and 2007 were as follows:

	Beginning of Fiscal Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claim <u>Payments</u>	Balance at Fiscal <u>Year End</u>
2004 - 2005	\$ 2,606,938	\$ 1,385,009	\$ (1,007,613)	\$ 2,984,334
2005 - 2006	2,984,334	912,048	(956,801)	2,939,581
2006 - 2007	2,939,581	1,923,486	(1,144,487)	3,718,580

**HEALTH INSURANCE**

The City provides health and accident insurance to its employees through health maintenance organizations (HMO's) and commercial insurance carriers. The City has no additional liability other than the initial premiums.

**NOTE O - COMMITMENTS AND CONTINGENCIES**

**LITIGATION**

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury and property damage. The City Attorney and outside counsel have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", and "remote" contingencies as defined in GASB Codification C50. The City's "reasonably possible" loss contingencies have been estimated to be immaterial and have not been accrued in these financial statements. All material probable claims have been accrued as liabilities in the City's Self-Insurance Fund (see Note N for additional details) and General Fund.

**FEDERALLY ASSISTED PROGRAMS**

The City receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements. The programs are audited in accordance with the Single Audit Act of 1984 and 1996 Amendments and also subject to further examination by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements.

**EPA ADMINISTRATIVE ORDER**

On November 30, 1990, the United States Environmental Protection Agency (EPA) issued the City an Administrative Order for sewerage effluent violations. As a result, the City has initiated a sewer rehabilitation project for which costs are approximately \$15 million. Failure to comply with the provisions of the Order could result in monetary fines or an EPA administrative penalty. See Note I for additional information regarding the financing of the sewer rehabilitation project.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE O - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**AGREEMENT FOR OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES OF THE KENNER WASTEWATER COLLECTION AND TREATMENT SYSTEMS**

In July 1995, the City entered into an agreement with Veolia Water North America Operating Services, LLC, (formerly Professional Services Group, Inc. (PSG) and US Filter Operating Services, Inc.) for the management, operation and maintenance of the Wastewater Collection and Treatment Systems. PSG offered employment to all personnel of Kenner who were currently assigned full-time to the Wastewater Department. In July 1999, the agreement was amended and restated. In accordance with the agreement dated July 1999, compensation from the City of Kenner consists of an annual fee (\$2,744,264), funding the Kenner Budget Pass-Through Fund (\$817,567) and payment of electrical invoices. The term of this agreement is for 20 years commencing on July 1, 1995 with the option for four, five-year renewal periods. The annual fee and Kenner Budget Pass-Through Fund will be adjusted annually either by negotiation or in accordance with the CPI Adjustment Formula as stipulated in the agreement.

**CONSTRUCTION**

Construction commitments are discussed in Note I.

**LEASE COMMITMENTS - GENERAL**

Leases are accounted for in accordance with GASB Codification Section L20-Leases, which requires classification of leases as capital or operating leases. Governmental fund assets under capital leases are recorded in the government-wide financial statements.

Operating Leases

The City is committed under various leases for buildings and office equipment. These leases are considered for accounting purposes to be operating leases. Lease expenditures for the year ended June 30, 2007 amounted to \$228,643. Future minimum lease payments for these leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Amounts</u>
2008	\$ 147,108
2009	85,148
2010	<u>42,281</u>
Total minimum lease payments	\$ <u>274,537</u>

**NOTE P - DEFERRED COMPENSATION PLAN**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The funds are held in a trust for the exclusive benefit of participants and their beneficiaries.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE Q - POSTEMPLOYMENT BENEFITS**

In addition to the pension benefits described in Note R, the City provides postretirement health care benefits to all retirees with 20 years or more of service, and life insurance benefits to eligible retirees under age 70. These benefits are authorized by City resolution. Expenditures for postretirement health care and life insurance benefits are recognized as the premiums are paid by the City, which is required to pay only the retirees' portion. The retiree must pay the portion of the premium related to any dependents. At June 30, 2007, 110 retirees were eligible and were receiving such health care benefits. Total health care premiums amounted to \$454,953, of which \$342,398 (75%) was paid by the City and \$112,555 (25%) was paid by the retirees for the year ended June 30, 2007. Life insurance premiums paid by the City for 104 eligible retirees amounted to \$5,168 for the year-ended June 30, 2007. These post retirement health care and life insurance benefits are not accounted for as a defined benefit pension plan thus Governmental Accounting Standards Board Statement No. 26 "*Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans*" does not apply.

**NOTE R - PENSION PLANS**

**GENERAL**

The City reporting entity participates in three defined benefit pension plans. Assets are held separately and may be used only for the payment of benefits to the members of the respective plans, as follows:

Substantially all of the City's full-time, permanent employees, other than classified employees in the Kenner Fire Department and Kenner Police Department are participants in the Municipal Employees' Retirement System, State of Louisiana (the Municipal Plan), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees of the Police Department of the City are participants in the Municipal Police Employees Retirement System (the Police Plan), a cost-sharing, multiple-employer defined benefit plan.

All full-time classified employees of the Fire Department of the City are participants in the Firefighters Retirement System ("FRS"), a cost-sharing, multiple-employer defined benefit plan.

**PLAN DESCRIPTIONS**

Municipal Employees' Retirement System, State of Louisiana (The Municipal Plan)

Employees of the City participate in Plan A of the Municipal Plan. Under the Municipal Plan, employees with 10 years of service may retire at age 60 and employees with 25 years of service may retire regardless of age. In addition, employees may also retire with 20 years of service regardless of age; however, the benefits payable to such employees must be actuarially reduced. The monthly amount of the retirement allowance is equal to 3 percent of the member's final compensation multiplied by his years of creditable service. Retirement benefits are payable monthly for the life of the retiree, and upon the retiree's death, under certain conditions, are payable to the surviving spouse. The Municipal Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2007. The Municipal Employees' Retirement System of Louisiana issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained from the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court. For the year ended June 30, 2007, the employer's contribution rate was 16.25%. Effective July 1, 2007, the employer's contribution rate decreased to 13.50%.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE R - PENSION PLANS (CONTINUED)**

Municipal Police Employees Retirement System (The Police Plan)

Members of the Police Plan are eligible for normal retirement after they have been a member of the plan for one year, if they have 25 years of service at any age or they have 20 years service and are age 50 or have 12 years service and are age 55. Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211 - 11:2233. The monthly retirement benefit is equal to  $3\frac{1}{3}$  percent of the member's average monthly earnings during the highest consecutive 36 months, multiplied by years of creditable service, not to exceed 100 percent of final salary. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain conditions, are payable to the surviving spouse and minor children. The Police Plan retirement information in this Note is provided as of the latest actuarial valuation, June 30, 2007. The Municipal Police Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained from the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court. For the year ended June 30, 2007, the employer's contribution rate was 15.50%. Effective July 1, 2007, the employer's contribution rate decreased to 13.75%.

The Firefighters Retirement System (FRS)

Under FRS, employees with 20 or more years of service who have attained age 50 or employees who have 12 years of service who have attained age 55 or 25 years of service at any age are entitled to annual pension benefits equal to  $3\frac{1}{3}$ % of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100%. Retirement benefits are payable monthly to the retiree, and upon the death of the retiree, under certain circumstances, are payable to the surviving spouse and minor children.

The Firefighters Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. It may be obtained from the Firefighters Retirement System, 3100 Brentwood Drive, Baton Rouge, LA 70809.

The employer's contribution rate for FRS was 15.50% for July 1, 2006 through June 30, 2007. Effective July 1, 2007, the employer's contribution rate decreased to 13.75%.

**COVERED PAYROLL**

The total payroll and the covered payroll, for each of the plans for the year ended June 30, 2007 were as follows:

	<u>Total</u>	<u>Covered</u>
Municipal Plan	\$ 10,848,784	\$ 10,854,814
Police Plan	9,808,770	6,048,400
Firefighters Retirement System	4,678,164	4,341,053

**CURRENT MEMBERSHIP**

Total membership data for the Municipal Plan, Police Plan and Statewide Firefighters Retirement System plans, are available in the separately issued reports, but is not available by individual employer.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**June 30, 2007**

**NOTE R - PENSION PLANS (CONTINUED)**

**CONTRIBUTIONS REQUIRED AND MADE**

Member and employer contributions are established by state statute for all plans.

Contributions required and made for the Municipal Plan, a cost-sharing multiple-employer plan were as follows:

Year Ended June 30,	Annual Required Contribution	City		Employees		Total
		Actual Contribution	% of Covered Payroll	Actual Contribution	% of Covered Payroll	% Contributed
2005	\$ 2,548,739	\$ 1,595,398	15.00	\$ 953,341	9.25	100%
2006	2,735,853	1,766,811	16.00	969,043	9.25	100%
2007	2,705,396	1,763,912	16.25	941,484	9.25	100%

Contributions required and made for the Police Plan, a cost-sharing multiple-employer plan were as follows:

Year Ended June 30,	Annual Required Contribution	City		Employees		Total
		Actual Contribution	% of Covered Payroll	Actual Contribution	% of Covered Payroll	% Contributed
2005	\$ 2,020,777	\$ 1,507,757	21.50	\$ 513,020	7.50	100%
2006	1,641,221	1,136,750	15.50	504,470	7.50	100%
2007	1,587,139	1,077,006	15.50	510,133	7.50	100%

Contributions required and made for the Statewide Firefighters Retirement System, a cost-sharing multiple-employer plan were as follows:

Year Ended June 30,	Annual Required Contribution	City		Employees		Total
		Actual Contribution	% of Covered Payroll	Actual Contribution	% of Covered Payroll	% Contributed
2005	\$ 833,534	\$ 525,526	9.00-24.00	\$ 308,008	8.00	100%
2006	1,218,105	849,895	22.25-18.00	368,210	8.00	100%
2007	1,021,150	673,865	15.50	347,285	8.00	100%

**NOTE S - DEFICIT FUND BALANCES / NET ASSETS**

At June 30, 2007, the Capital Projects Funded with Bond Proceeds Fund had a deficit in its fund balance of \$1,051,832. This deficit will be eliminated by completing arbitrage calculations which will rebate interest to go towards completing the projects included in this fund.

At June 30, 2007, the Self-Insurance Fund had a deficit in its net assets of \$715,415. This deficit will be eliminated by the City making additional contributions into the fund during the next fiscal year.

## **REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes	\$ 29,885,885	\$ -	\$ 29,885,885	\$ 27,823,442	\$ 28,653,442	\$ 1,232,443
Licenses and permits	3,148,087	-	3,148,087	2,881,792	2,881,792	266,295
Intergovernmental	3,205,028	(659,689)	2,545,339	1,450,023	2,659,969	(114,630)
Charges for services	590,988	43	591,031	698,838	698,838	(107,807)
Fines and forfeitures	1,765,365	-	1,765,365	2,474,161	1,594,161	171,204
Interest on invested funds	330,417	(10,945)	319,472	190,180	150,180	169,292
Miscellaneous	546,414	(92,244)	454,170	244,400	284,400	169,770
Total revenues	39,472,184	(762,835)	38,709,349	35,762,836	36,922,782	1,786,567
<b>EXPENDITURES</b>						
General government	10,430,458	666,041	11,096,499	9,927,030	11,069,405	(27,094)
Public safety	18,628,331	(1,575,744)	17,052,587	17,027,912	17,098,209	45,622
Public works	4,277,905	179,606	4,457,511	4,404,377	4,490,548	33,037
Health and welfare	793,165	693	793,858	772,439	802,646	8,788
Culture and recreation	5,017,708	165,924	5,183,632	5,540,787	5,617,975	434,343
Transit and urban development	261,376	-	261,376	457,771	227,771	(33,605)
Total expenditures	39,408,943	(563,480)	38,845,463	38,130,316	39,306,554	461,091
Excess (deficiency) of revenues over (under) expenditures	63,241	(199,355)	(136,114)	(2,367,480)	(2,383,772)	2,247,658
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	10,497,660	-	10,497,660	9,383,905	10,232,521	265,139
Operating transfers out	(8,409,867)	-	(8,409,867)	(7,016,425)	(7,848,749)	(561,118)
Total other financing sources (uses)	2,087,793	-	2,087,793	2,367,480	2,383,772	(295,979)
Net change in fund balance	2,151,034	(199,355)	1,951,679	-	-	1,951,679
Fund balance - beginning of year	15,412,666	449,752	15,862,418	15,862,418	15,862,418	-
Fund balance - end of year	\$ 17,563,700	\$ 250,397	\$ 17,814,097	\$ 15,862,418	\$ 15,862,418	\$ 1,951,679

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ONE PERCENT SALES TAX OF 1984 FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Sales tax	\$ 13,162,726	\$ -	\$ 13,162,726	\$ 12,096,182	\$ 13,096,182	\$ 66,544
Total revenues	13,162,726	-	13,162,726	12,096,182	13,096,182	66,544
<b>EXPENDITURES</b>						
Personnel	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	13,162,726	-	13,162,726	12,096,182	13,096,182	66,544
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(13,162,726)	-	(13,162,726)	(12,096,182)	(13,096,182)	(66,544)
Net change in fund balance	-	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GARBAGE COLLECTION AND DISPOSAL FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 674,203	\$ -	\$ 674,203	\$ 785,777	\$ 785,777	\$ (111,574)
Intergovernmental	4,214,464	3,611,372	7,825,836	-	6,947,355	878,481
Charges for services:						
Garbage fees and penalties	2,670,703	(114,777)	2,555,926	3,120,478	2,645,478	(89,552)
Interest	-	-	-	-	-	-
Total revenues	7,559,370	3,496,595	11,055,965	3,906,255	10,378,610	677,355
<b>EXPENDITURES</b>						
Public works:						
Contractual services	8,360,249	3,611,372	11,971,621	4,395,469	10,867,824	(1,103,797)
Total expenditures	8,360,249	3,611,372	11,971,621	4,395,469	10,867,824	(1,103,797)
Excess (deficiency) of revenues over (under) expenditures	(800,879)	(114,777)	(915,656)	(489,214)	(489,214)	(426,442)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	800,879	114,777	915,656	489,214	489,214	426,442
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	800,879	114,777	915,656	489,214	489,214	426,442
Net change in fund balances	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIRE PROTECTION FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 3,103,631	\$ -	\$ 3,103,631	\$ 3,617,541	\$ 3,317,541	\$ (213,910)
Parking	425,551	-	425,551	192,641	192,641	232,910
Intergovernmental	-	-	-	334,426	-	-
Charges for services:						
Fire reports	748	-	748	803	803	(55)
Interest	54,929	-	54,929	22,834	31,832	23,097
Miscellaneous	356,218	-	356,218	394,022	385,024	(28,806)
Total revenues	3,941,077	-	3,941,077	4,562,267	3,927,841	13,236
<b>EXPENDITURES</b>						
Public safety:						
Personnel	5,950,122	-	5,950,122	6,536,958	6,022,898	72,776
Supplies	65,194	4,769	69,963	161,545	163,743	93,780
Service charges	561,879	(10,165)	551,714	704,300	737,883	186,169
Capital outlay	473	120,923	121,396	-	143,853	22,457
Total expenditures	6,577,668	115,527	6,693,195	7,402,803	7,068,377	375,182
Excess (deficiency) of revenues over (under) expenditures	(2,636,591)	(115,527)	(2,752,118)	(2,840,536)	(3,140,536)	388,418
<b>OTHER FINANCING SOURCES</b>						
Transfers in	2,752,118	-	2,752,118	2,840,536	3,140,536	(388,418)
Net change in fund balance	115,527	(115,527)	-	-	-	-
Fund balance - beginning of year	33,881	(33,881)	-	-	-	-
Fund balance - end of year	\$ 149,408	\$ (149,408)	\$ -	\$ -	\$ -	\$ -

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF KENNER, LOUISIANA**  
**NONMAJOR FUND DESCRIPTIONS**  
June 30, 2007

**SPECIAL REVENUE FUNDS**

Special Revenue Funds account for the proceeds of specific revenues (other than special assessments, expendable trusts, or revenues for major capital projects) that are legally restricted to expenditures for specific purposes.

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**

The Community Development Block Grant Fund accounts for grants received from the Federal Community Development Block Grant Program.

**ROADS AND BRIDGES AND STREET LIGHTING FUNDS**

The Roads and Bridges and Street Lighting Funds account for the proceeds of ad valorem taxes which are specifically dedicated for the functions performed by each of these funds.

**DEBT SERVICE FUNDS**

The Debt Service Funds are used to accumulate monies for the payment of principal, interest, and fiscal charges on the City of Kenner's general obligation and special tax bonds.

**AD VALOREM TAX BOND FUND**

The Ad Valorem Tax Bond Fund accounts for the property tax levies needed to comply with the interest and principal redemption requirements as stated in the loan agreement for the LCDA loan.

**FIREMEN'S PENSION MERGER FUND**

The Firemen's Pension Merger Fund accounts for the funding needed to comply with the interest and principal redemption requirements for the loan payable to the Statewide Firefighters Retirement System.

**CITY OF KENNER, LOUISIANA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2007**

	SPECIAL REVENUE			
	COMMUNITY DEVELOPMENT BLOCK GRANT	ROADS AND BRIDGES	STREET LIGHTING	TOTAL
<b>ASSETS</b>				
Cash	\$ 63,859	\$ 158	\$ -	\$ 64,017
Equity in pooled cash	191,930	-	-	191,930
Receivables (net, where applicable, of allowances for uncollectibles)				
Intergovernmental	223,466	-	-	223,466
Other	11,396	-	38	11,434
Due from other funds	-	237,275	235,820	473,095
<b>Total assets</b>	<u>\$ 490,651</u>	<u>\$ 237,433</u>	<u>\$ 235,858</u>	<u>\$ 963,942</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 31,503	\$ 44,739	\$ 216,030	\$ 292,272
Accrued liabilities	22,602	11,650	2,443	36,695
Due to other funds	52,956	174,599	-	227,555
Deferred revenues	-	1,383	2,803	4,186
<b>Total liabilities</b>	<u>107,061</u>	<u>232,371</u>	<u>221,276</u>	<u>560,708</u>
Fund balances:				
Reserved for:				
Encumbrances	430	5,062	14,582	20,074
Debt service	-	-	-	-
Unreserved, undesignated	383,160	-	-	383,160
<b>Total fund balances</b>	<u>383,590</u>	<u>5,062</u>	<u>14,582</u>	<u>403,234</u>
<b>Total liabilities and fund balances</b>	<u>\$ 490,651</u>	<u>\$ 237,433</u>	<u>\$ 235,858</u>	<u>\$ 963,942</u>

AD VALOREM TAX BONDS	DEBT SERVICE		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	FIREMEN'S PENSION MERGER FUND	TOTAL	
\$ 8,183	\$ -	\$ 8,183	\$ 72,200
36,465	465,636	502,101	694,031
-	-	-	223,466
-	-	-	11,434
26,847	-	26,847	499,942
<u>\$ 71,495</u>	<u>\$ 465,636</u>	<u>\$ 537,131</u>	<u>\$ 1,501,073</u>
\$ -	\$ -	\$ -	\$ 292,272
-	-	-	36,695
-	-	-	227,555
26,100	-	26,100	30,286
26,100	-	26,100	586,808
-	-	-	20,074
45,395	465,636	511,031	511,031
-	-	-	383,160
45,395	465,636	511,031	914,265
<u>\$ 71,495</u>	<u>\$ 465,636</u>	<u>\$ 537,131</u>	<u>\$ 1,501,073</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	SPECIAL REVENUE FUNDS			
	COMMUNITY DEVELOPMENT BLOCK GRANT	ROADS AND BRIDGES	STREET LIGHTING	TOTAL
<b>REVENUES</b>				
Taxes	\$ -	\$ 446,220	\$ 49	\$ 446,269
Intergovernmental	1,102,654	-	-	1,102,654
Interest	4,105	-	127	4,232
Miscellaneous	-	-	-	-
Total Revenues	1,106,759	446,220	176	1,553,155
<b>EXPENDITURES</b>				
Current:				
Public works	-	740,339	1,443,151	2,183,490
Culture and recreation	183,669	-	-	183,669
Transit and urban development	1,117,940	-	-	1,117,940
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,301,609	740,339	1,443,151	3,485,099
Excess (deficiency) of revenues over (under) expenditures	(194,850)	(294,119)	(1,442,975)	(1,931,944)
<b>OTHER FINANCING SOURCES</b>				
Transfers in	367,486	294,119	1,442,975	2,104,580
Total other financing sources	367,486	294,119	1,442,975	2,104,580
Net change in fund balances	172,636	-	-	172,636
Fund balances - beginning of year	210,954	5,062	14,582	230,598
Fund balances - end of year	\$ 383,590	\$ 5,062	\$ 14,582	\$ 403,234

DEBT SERVICE FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
AD VALOREM TAX BONDS	FIREMEN'S PENSION MERGER FUND	TOTAL	
\$ 1,985,103	\$ 240,551	\$ 2,225,654	\$ 2,671,923
-	-	-	1,102,654
22,957	23,219	46,176	50,408
-	99,335	99,335	99,335
2,008,060	363,105	2,371,165	3,924,320
-	-	-	2,183,490
-	-	-	183,669
-	-	-	1,117,940
1,235,000	50,152	1,285,152	1,285,152
746,845	187,551	934,396	934,396
1,981,845	237,703	2,219,548	5,704,647
26,215	125,402	151,617	(1,780,327)
-	-	-	2,104,580
-	-	-	2,104,580
26,215	125,402	151,617	324,253
19,180	340,234	359,414	590,012
\$ 45,395	\$ 465,636	\$ 511,031	\$ 914,265



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>TAXES</b>						
Ad valorem tax	\$ 874,332	\$ -	\$ 874,332	\$ 1,019,287	\$ 1,019,287	\$ (144,955)
Sales tax	19,552,877	-	19,552,877	17,140,757	17,970,757	1,582,120
Beer tax	88,947	-	88,947	84,607	84,607	4,340
Parking tax	1,425,067	-	1,425,067	1,393,653	1,393,653	31,414
Franchises						
Electricity service	1,702,677	-	1,702,677	1,660,502	1,660,502	42,175
Gas service	200,237	-	200,237	210,149	210,149	(9,912)
Off-track wagering	203,023	-	203,023	180,427	180,427	22,596
Hotel/motel tax	283,619	-	283,619	257,903	257,903	25,716
Telephone	261,521	-	261,521	250,737	250,737	10,784
Riverboat	5,293,585	-	5,293,585	5,625,420	5,625,420	(331,835)
<b>Total taxes</b>	<b>29,885,885</b>	<b>-</b>	<b>29,885,885</b>	<b>27,823,442</b>	<b>28,653,442</b>	<b>1,232,443</b>
<b>LICENSES AND PERMITS</b>						
Business:						
Occupational	2,330,251	-	2,330,251	2,147,399	2,147,399	182,852
Alcoholic beverage	59,966	-	59,966	69,122	69,122	(9,156)
Chain store	65,726	-	65,726	62,981	62,981	2,745
Plumbing	42,220	-	42,220	32,025	32,025	10,195
Electrical	52,980	-	52,980	23,589	23,589	29,391
Taxi cab	26,850	-	26,850	44,158	44,158	(17,308)
Air conditioning	29,360	-	29,360	15,110	15,110	14,250
Bingo	150	-	150	400	400	(250)
Animal control	553	-	553	700	700	(147)
<b>Total business</b>	<b>2,608,056</b>	<b>-</b>	<b>2,608,056</b>	<b>2,395,484</b>	<b>2,395,484</b>	<b>212,572</b>
Non-business:						
Building	216,863	-	216,863	143,035	143,035	73,828
Garage sales	1,925	-	1,925	4,100	4,100	(2,175)
Brake tags	321,243	-	321,243	339,173	339,173	(17,930)
<b>Total non-business</b>	<b>540,031</b>	<b>-</b>	<b>540,031</b>	<b>486,308</b>	<b>486,308</b>	<b>53,723</b>
<b>Total licenses and permits</b>	<b>3,148,087</b>	<b>-</b>	<b>3,148,087</b>	<b>2,881,792</b>	<b>2,881,792</b>	<b>266,295</b>
<b>INTERGOVERNMENTAL</b>						
Federal Grants	1,587,453	(600,434)	987,019	-	1,209,946	(222,927)
From state:						
Parish transportation fund	315,793	-	315,793	370,812	370,812	(55,019)
Parish road fund	189,042	-	189,042	165,754	165,754	23,288
Video poker	854,714	-	854,714	660,448	660,448	194,266
Other state grants	24,960	(59,255)	(34,295)	-	-	(34,295)
From other local government subdivisions:						
Jefferson Council on Aging	22,066	-	22,066	42,009	42,009	(19,943)
Jefferson Parish	211,000	-	211,000	211,000	211,000	-
<b>Total intergovernmental</b>	<b>3,205,028</b>	<b>(659,689)</b>	<b>2,545,339</b>	<b>1,450,023</b>	<b>2,659,969</b>	<b>(114,630)</b>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (CONTINUED)**  
**GENERAL FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>CHARGES FOR SERVICES</b>						
Zoning fees	\$ 18,230	\$ -	\$ 18,230	\$ 9,573	\$ 9,573	\$ 8,657
Inspection fees						
Electrical	67,318	-	67,318	58,914	58,914	8,404
Plumbing	34,891	-	34,891	44,297	44,297	(9,406)
Air conditioning, heating, and other	44,939	-	44,939	33,291	33,291	11,648
Maps and document sales	2,923	-	2,923	1,264	1,264	1,659
Tax research fees	29,760	-	29,760	39,244	39,244	(9,484)
Police reports	40,142	-	40,142	32,725	32,725	7,417
Weed cutting fees	84,419	-	84,419	70,119	70,119	14,300
Recreation department						
Participation fees	13,887	-	13,887	20,561	20,561	(6,674)
Admission fees	177,678	43	177,721	327,850	327,850	(150,129)
Identification and other fees	4,177	-	4,177	-	-	4,177
Community service fees	-	-	-	-	-	-
Administrative charges	72,624	-	72,624	61,000	61,000	11,624
Total charges for services	590,988	43	591,031	698,838	698,838	(107,807)
<b>FINES AND FORFEITURES</b>						
Fines	1,314,336	-	1,314,336	2,031,821	1,151,821	162,515
Forfeitures	371,524	-	371,524	320,614	320,614	50,910
DWI fines	2,700	-	2,700	1,800	1,800	900
Reinstatement fees	76,805	-	76,805	119,926	119,926	(43,121)
Total fines and forfeitures	1,765,365	-	1,765,365	2,474,161	1,594,161	171,204
<b>INTEREST ON INVESTED FUNDS</b>	330,417	(10,945)	319,472	190,180	150,180	169,292
<b>MISCELLANEOUS</b>						
Donations	-	-	-	-	-	-
Rents	337,434	(44,114)	293,320	234,085	234,085	59,235
Other investment income	100,085	(15,129)	84,956	-	40,000	44,956
Other	108,895	(33,001)	75,894	10,315	10,315	65,579
Total miscellaneous	546,414	(92,244)	454,170	244,400	284,400	169,770
<b>Total revenues</b>	<b>\$ 39,472,184</b>	<b>\$ (762,835)</b>	<b>\$ 38,709,349</b>	<b>\$ 35,762,836</b>	<b>\$ 36,922,782</b>	<b>\$ 1,786,567</b>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS ORIGINAL BUDGET	FINAL BUDGET	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
<b>GENERAL GOVERNMENT</b>						
Personnel	\$ 5,618,359	\$ (51,957)	\$ 5,564,402	\$ 5,922,925	\$ 5,837,964	\$ 273,562
Supplies	571,260	(1,218)	570,042	142,958	538,697	(31,345)
Service charges	4,113,824	686,564	4,800,388	3,860,256	4,527,010	(273,378)
Capital outlay	127,015	34,652	161,667	891	165,734	4,067
Total general government	\$ 10,430,458	\$ 666,041	\$ 11,096,499	\$ 9,927,030	\$ 11,069,405	\$ (27,094)
<b>PUBLIC SAFETY</b>						
Personnel	\$ 13,946,526	\$ (315,697)	\$ 13,630,829	\$ 13,148,319	\$ 13,641,718	\$ 10,889
Supplies	814,531	(807)	813,724	712,976	860,040	46,316
Service charges	2,444,830	(64,696)	2,380,134	1,851,617	2,324,918	(55,216)
Capital outlay	1,422,444	(1,194,544)	227,900	1,315,000	271,533	43,633
Total public safety	\$ 18,628,331	\$ (1,575,744)	\$ 17,052,587	\$ 17,027,912	\$ 17,098,209	\$ 45,622
<b>PUBLIC WORKS</b>						
Personnel	\$ 2,340,085	\$ -	\$ 2,340,085	\$ 3,250,614	\$ 2,550,748	\$ 210,663
Supplies	1,234,022	(7,647)	1,226,375	937,224	1,199,526	(26,849)
Service charges	311,017	(12,747)	298,270	216,539	286,317	(11,953)
Capital outlay	392,781	200,000	592,781	-	453,957	(138,824)
Total public works	\$ 4,277,905	\$ 179,606	\$ 4,457,511	\$ 4,404,377	\$ 4,490,548	\$ 33,037
<b>HEALTH AND WELFARE</b>						
Personnel	\$ 624,015	\$ -	\$ 624,015	\$ 608,117	\$ 624,569	\$ 554
Supplies	145,829	595	146,424	147,189	153,211	6,787
Service charges	23,321	98	23,419	17,133	24,866	1,447
Capital outlay	-	-	-	-	-	-
Total health and welfare	\$ 793,165	\$ 693	\$ 793,858	\$ 772,439	\$ 802,646	\$ 8,788

(Continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (CONTINUED)**  
**GENERAL FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>CULTURE AND RECREATION</b>						
Personnel	\$ 3,574,617	\$ -	\$ 3,574,617	\$ 3,986,860	\$ 3,751,651	\$ 177,034
Supplies	465,780	60,795	526,575	369,992	567,759	41,184
Service charges	986,390	(1,353)	985,037	1,183,935	1,196,157	211,120
Capital outlay	(9,079)	106,482	97,403	-	102,408	5,005
Total culture and recreation	\$ 5,017,708	\$ 165,924	\$ 5,183,632	\$ 5,540,787	\$ 5,617,975	\$ 434,343
<b>TRANSIT</b>						
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	261,376	-	261,376	457,771	227,771	(33,605)
Capital outlay	-	-	-	-	-	-
Total transit	\$ 261,376	\$ -	\$ 261,376	\$ 457,771	\$ 227,771	\$ (33,605)
<b>TOTAL EXPENDITURES</b>						
Personnel	\$ 26,103,602	\$ (369,654)	\$ 25,733,948	\$ 26,916,835	\$ 26,406,650	\$ 672,702
Supplies	3,231,422	51,718	3,283,140	2,310,339	3,319,233	36,093
Service charges	8,140,758	607,866	8,748,624	7,587,251	8,587,039	(161,585)
Capital outlay	1,933,161	(853,410)	1,079,751	1,315,891	993,632	(86,119)
TOTAL EXPENDITURES	\$ 39,408,943	\$ (563,480)	\$ 38,845,463	\$ 38,130,316	\$ 39,306,554	\$ 461,091

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION**  
**Year Ended June 30, 2007**

**COUNCIL OFFICE**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 752,845	\$ -	\$ 752,845	\$ 712,042	\$ 754,241	\$ 1,396
Supplies	31,834	(5,839)	25,995	36,670	31,076	5,081
Service charges	85,434	2,959	88,393	118,900	85,616	(2,777)
Capital outlay	5,627	5,564	11,191	-	11,297	106
Total expenditures	\$ 875,740	\$ 2,684	\$ 878,424	\$ 867,612	\$ 882,230	\$ 3,806

**MAYOR'S OFFICE**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 179,125	\$ -	\$ 179,125	\$ 376,905	\$ 361,576	\$ 182,451
Supplies	22,261	1,335	23,596	9,400	23,057	(539)
Service charges	23,313	-	23,313	23,927	26,842	3,529
Capital outlay	5,523	1,006	6,529	-	6,530	1
Total expenditures	\$ 230,222	\$ 2,341	\$ 232,563	\$ 410,232	\$ 418,005	\$ 185,442

**CHIEF ADMINISTRATIVE OFFICE**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 287,363	\$ -	\$ 287,363	\$ 299,879	\$ 296,767	\$ 9,404
Supplies	6,299	(774)	5,525	7,045	7,676	2,151
Service charges	16,078	-	16,078	10,222	15,623	(455)
Capital outlay	2,522	-	2,522	-	2,522	-
Total expenditures	\$ 312,262	\$ (774)	\$ 311,488	\$ 317,146	\$ 322,588	\$ 11,100

**FINANCE**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 594,203	\$ -	\$ 594,203	\$ 593,987	\$ 598,462	\$ 4,259
Supplies	22,449	3,412	25,861	24,000	27,000	1,139
Service charges	39,496	554	40,050	40,700	40,500	450
Capital outlay	8,856	247	9,103	-	9,000	(103)
Total expenditures	\$ 665,004	\$ 4,213	\$ 669,217	\$ 658,687	\$ 674,962	\$ 5,745

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

PURCHASING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 283,262	\$ -	\$ 283,262	\$ 295,196	\$ 289,418	\$ 6,156
Supplies	7,249	218	7,467	5,500	7,784	317
Service charges	21,159	-	21,159	19,374	22,926	1,767
Capital outlay	7,494	1,405	8,899	891	8,899	-
Total expenditures	\$ 319,164	\$ 1,623	\$ 320,787	\$ 320,961	\$ 329,027	\$ 8,240

PERSONNEL

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 293,659	\$ -	\$ 293,659	\$ 277,825	\$ 284,638	\$ (9,021)
Supplies	7,839	(23)	7,816	8,160	8,300	484
Service charges	33,756	-	33,756	25,851	36,011	2,255
Capital outlay	-	807	807	-	825	18
Total expenditures	\$ 335,254	\$ 784	\$ 336,038	\$ 311,836	\$ 329,774	\$ (6,264)

PLANNING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 351,459	\$ -	\$ 351,459	\$ 367,525	\$ 368,995	\$ 17,536
Supplies	5,279	264	5,543	6,300	6,300	757
Service charges	38,076	(38)	38,038	38,304	38,552	514
Capital outlay	7,894	(907)	6,987	-	7,900	913
Total expenditures	\$ 402,708	\$ (681)	\$ 402,027	\$ 412,129	\$ 421,747	\$ 19,720

DATA PROCESSING

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 300,302	\$ -	\$ 300,302	\$ 241,249	\$ 300,648	\$ 346
Supplies	4,688	1,129	5,817	5,850	7,020	1,203
Service charges	45,732	(402)	45,330	106,900	49,003	3,673
Capital outlay	4,028	-	4,028	-	4,028	-
Total expenditures	\$ 354,750	\$ 727	\$ 355,477	\$ 353,999	\$ 360,699	\$ 5,222

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

CIVIL SERVICE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 66,487	\$ -	\$ 66,487	\$ 144,662	\$ 104,811	\$ 38,324
Supplies	3,391	(341)	3,050	3,315	3,715	665
Service charges	28,973	637	29,610	28,852	43,552	13,942
Capital outlay	10,672	-	10,672	-	16,400	5,728
Total expenditures	\$ 109,523	\$ 296	\$ 109,819	\$ 176,829	\$ 168,478	\$ 58,659

GENERAL MUNICIPAL EXPENSE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,039,896	\$ (53,957)	\$ 985,939	\$ 799,457	\$ 999,623	\$ 13,684
Supplies	442,502	702	443,204	18,000	397,978	(45,226)
Service charges	2,621,962	697,983	3,319,945	2,402,467	3,041,328	(278,617)
Capital outlay	67,917	21,393	89,310	-	89,622	312
Total expenditures	\$ 4,172,277	\$ 666,121	\$ 4,838,398	\$ 3,219,924	\$ 4,528,551	\$ (309,847)

EMERGENCY RESERVE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MAGISTRATE'S COURT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 820,861	\$ -	\$ 820,861	\$ 817,021	\$ 828,785	\$ 7,924
Supplies	17,469	(1,301)	16,168	18,718	18,791	2,623
Service charges	27,990	-	27,990	29,759	29,057	1,067
Capital outlay	6,482	5,137	11,619	-	8,711	(2,908)
Total expenditures	\$ 872,802	\$ 3,836	\$ 876,638	\$ 865,498	\$ 885,344	\$ 8,706

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**GENERAL GOVERNMENT FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

INSURANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 88,329	\$ -	\$ 88,329	\$ 105,000	\$ 89,000	\$ 671
Supplies	-	-	-	-	-	-
Service charges	1,116,726	-	1,116,726	1,015,000	1,098,000	(18,726)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,205,055	\$ -	\$ 1,205,055	\$ 1,120,000	\$ 1,187,000	\$ (18,055)

PAY INCENTIVES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 560,568	\$ -	\$ 560,568	\$ 892,177	\$ 561,000	\$ 432
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 560,568	\$ -	\$ 560,568	\$ 892,177	\$ 561,000	\$ 432

BAD DEBT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	15,129	(15,129)	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 15,129	\$ (15,129)	\$ -	\$ -	\$ -	\$ -

TOTAL - GENERAL GOVERNMENT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 5,618,359	\$ (53,957)	\$ 5,564,402	\$ 5,922,925	\$ 5,837,964	\$ 273,562
Supplies	571,260	(1,218)	570,042	142,958	538,697	(31,345)
Service charges	4,113,824	686,564	4,800,388	3,860,256	4,527,010	(273,378)
Capital outlay	127,015	34,652	161,667	891	165,734	4,067
Total expenditures	\$ 10,430,458	\$ 666,041	\$ 11,096,499	\$ 9,927,030	\$ 11,069,405	\$ (27,094)



**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION**  
**Year Ended June 30, 2007**

**POLICE ADMINISTRATION**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,511,675	\$ -	\$ 1,511,675	\$ 1,213,381	\$ 1,505,276	\$ (6,399)
Supplies	48,440	(3,595)	44,845	39,000	45,300	455
Service charges	814,742	(54,106)	760,636	662,000	756,500	(4,136)
Capital outlay	188,448	(179,189)	9,259	-	47,500	38,241
Total expenditures	\$ 2,563,305	\$ (236,890)	\$ 2,326,415	\$ 1,914,381	\$ 2,354,576	\$ 28,161

**ROAD POLICE**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 7,007,944	\$ (234,721)	\$ 6,773,223	\$ 6,974,569	\$ 6,769,045	\$ (4,178)
Supplies	467,030	(1,752)	465,278	523,000	476,000	10,722
Service charges	1,367,020	(14,574)	1,352,446	983,000	1,300,000	(52,446)
Capital outlay	1,116,211	(1,000,858)	115,353	1,315,000	118,000	2,647
Total expenditures	\$ 9,958,205	\$ (1,251,905)	\$ 8,706,300	\$ 9,795,569	\$ 8,663,045	\$ (43,255)

**POLICE DETECTIVES**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,647,865	\$ (48,804)	\$ 1,599,061	\$ 1,514,653	\$ 1,595,850	\$ (3,211)
Supplies	16,508	2,101	18,609	21,000	36,500	17,891
Service charges	33,862	2,201	36,063	25,000	34,800	(1,263)
Capital outlay	9,295	(572)	8,723	-	9,500	777
Total expenditures	\$ 1,707,530	\$ (45,074)	\$ 1,662,456	\$ 1,560,653	\$ 1,676,650	\$ 14,194

**POLICE COMMUNICATIONS**

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 474,154	\$ -	\$ 474,154	\$ 479,261	\$ 482,059	\$ 7,905
Supplies	2,642	(696)	1,946	4,000	4,000	2,054
Service charges	14,461	-	14,461	-	15,000	539
Capital outlay	911	2,967	3,878	-	4,000	122
Total expenditures	\$ 492,168	\$ 2,271	\$ 494,439	\$ 483,261	\$ 505,059	\$ 10,620

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

JAIL

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 598,617	\$ (20,052)	\$ 578,565	\$ 578,955	\$ 584,745	\$ 6,180
Supplies	196,355	3,747	200,102	76,000	201,500	1,398
Service charges	11,496	287	11,783	13,000	12,000	217
Capital outlay	50,216	(614)	49,602	-	50,500	898
Total expenditures	\$ 856,684	\$ (16,632)	\$ 840,052	\$ 667,955	\$ 848,745	\$ 8,693

POLICE RANGE SWAT

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

POLICE TRAFFIC AND RESCUE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,331,894	\$ (12,120)	\$ 1,319,774	\$ 1,029,753	\$ 1,334,297	\$ 14,523
Supplies	42,907	4,685	47,592	19,000	57,200	9,608
Service charges	16,494	2,093	18,587	29,000	20,000	1,413
Capital outlay	41,080	-	41,080	-	40,000	(1,080)
Total expenditures	\$ 1,432,375	\$ (5,342)	\$ 1,427,033	\$ 1,077,753	\$ 1,451,497	\$ 24,464

CODE ENFORCEMENT - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,159,348	\$ -	\$ 1,159,348	\$ 1,147,455	\$ 1,155,436	\$ (3,912)
Supplies	28,060	(5,075)	22,985	16,419	26,949	3,964
Service charges	182,847	(597)	182,250	135,391	182,117	(133)
Capital outlay	16,283	(16,278)	5	-	2,033	2,028
Total expenditures	\$ 1,386,538	\$ (21,950)	\$ 1,364,588	\$ 1,299,265	\$ 1,366,535	\$ 1,947

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC SAFETY FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

CODE ENFORCEMENT - INSPECTIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 215,029	\$ -	\$ 215,029	\$ 210,292	\$ 215,010	\$ (19)
Supplies	12,589	(222)	12,367	14,557	12,591	224
Service charges	3,908	-	3,908	4,226	4,501	593
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 231,526	\$ (222)	\$ 231,304	\$ 229,075	\$ 232,102	\$ 798

TOTAL - PUBLIC SAFETY FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 13,946,526	\$ (315,697)	\$ 13,630,829	\$ 13,148,319	\$ 13,641,718	\$ 10,889
Supplies	814,531	(807)	813,724	712,976	860,040	46,316
Service charges	2,444,830	(64,696)	2,380,134	1,851,617	2,324,918	(55,216)
Capital outlay	1,422,444	(1,194,544)	227,900	1,315,000	271,533	43,633
Total expenditures	\$ 18,628,331	\$ (1,575,744)	\$ 17,052,587	\$ 17,027,912	\$ 17,098,209	\$ 45,622

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC WORKS FUNCTION**  
**Year Ended June 30, 2007**

TRAFFIC

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 229,840	\$ -	\$ 229,840	\$ 245,611	\$ 230,814	\$ 974
Supplies	87,122	(11,950)	75,172	104,500	80,091	4,919
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 316,962	\$ (11,950)	\$ 305,012	\$ 350,111	\$ 310,905	\$ 5,893

PARKWAYS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 482,380	\$ -	\$ 482,380	\$ 931,014	\$ 488,490	\$ 6,110
Supplies	355,480	1,808	357,288	199,545	342,644	(14,644)
Service charges	44,299	-	44,299	3,568	21,917	(22,382)
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 882,159	\$ 1,808	\$ 883,967	\$ 1,134,127	\$ 853,051	\$ (30,916)

DRAINAGE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 317,272	\$ -	\$ 317,272	\$ 553,796	\$ 396,593	\$ 79,321
Supplies	43,666	2,552	46,218	66,815	45,551	(667)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 360,938	\$ 2,552	\$ 363,490	\$ 620,611	\$ 442,144	\$ 78,654

PUBLIC WORKS - VEHICLE MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 303,930	\$ -	\$ 303,930	\$ 359,788	\$ 305,924	\$ 1,994
Supplies	451,173	3,147	454,320	353,500	449,779	(4,541)
Service charges	201,366	(12,747)	188,619	123,000	200,804	12,185
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 956,469	\$ (9,600)	\$ 946,869	\$ 836,288	\$ 956,507	\$ 9,638

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**PUBLIC WORKS FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

PUBLIC WORKS - BUILDING MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 540,410	\$ -	\$ 540,410	\$ 676,974	\$ 663,000	\$ 122,590
Supplies	260,502	(1,458)	259,044	132,500	220,807	(38,237)
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 800,912</b>	<b>\$ (1,458)</b>	<b>\$ 799,454</b>	<b>\$ 809,474</b>	<b>\$ 883,807</b>	<b>\$ 84,353</b>

PUBLIC WORKS ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 466,253	\$ -	\$ 466,253	\$ 483,431	\$ 465,927	\$ (326)
Supplies	36,079	(1,746)	34,333	80,364	60,654	26,321
Service charges	65,352	-	65,352	89,971	63,596	(1,756)
Capital outlay	392,781	200,000	592,781	-	453,957	(138,824)
<b>Total expenditures</b>	<b>\$ 960,465</b>	<b>\$ 198,254</b>	<b>\$ 1,158,719</b>	<b>\$ 653,766</b>	<b>\$ 1,044,134</b>	<b>\$ (114,585)</b>

TOTAL - PUBLIC WORKS FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 2,340,085	\$ -	\$ 2,340,085	\$ 3,250,614	\$ 2,550,748	\$ 210,663
Supplies	1,234,022	(7,647)	1,226,375	937,224	1,199,526	(26,849)
Service charges	311,017	(12,747)	298,270	216,539	286,317	(11,953)
Capital outlay	392,781	200,000	592,781	-	453,957	(138,824)
<b>Total expenditures</b>	<b>\$ 4,277,905</b>	<b>\$ 179,606</b>	<b>\$ 4,457,511</b>	<b>\$ 4,404,377</b>	<b>\$ 4,490,548</b>	<b>\$ 33,037</b>

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**HEALTH AND WELFARE FUNCTION**  
**Year Ended June 30, 2007**

CODE ENFORCEMENT - HUMANE

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 120,866	\$ -	\$ 120,866	\$ 123,232	\$ 120,899	\$ 33
Supplies	1,059	-	1,059	2,849	1,110	51
Service charges	469	-	469	3,500	606	137
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 122,394</u>	<u>\$ -</u>	<u>\$ 122,394</u>	<u>\$ 129,581</u>	<u>\$ 122,615</u>	<u>\$ 221</u>

FOOD BANK

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 147,940	\$ -	\$ 147,940	\$ 144,260	\$ 148,036	\$ 96
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 147,940</u>	<u>\$ -</u>	<u>\$ 147,940</u>	<u>\$ 144,260</u>	<u>\$ 148,036</u>	<u>\$ 96</u>

COUNCIL ON AGING

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
EXPENDITURES						
Personnel	\$ 355,209	\$ -	\$ 355,209	\$ 340,625	\$ 355,634	\$ 425
Supplies	14,183	-	14,183	15,000	15,000	817
Service charges	22,852	-	22,852	13,633	24,260	1,408
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 392,244</u>	<u>\$ -</u>	<u>\$ 392,244</u>	<u>\$ 369,258</u>	<u>\$ 394,894</u>	<u>\$ 2,650</u>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**HEALTH AND WELFARE FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	130,587	595	131,182	129,340	137,101	5,919
Service charges	-	98	98	-	-	(98)
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 130,587</u>	<u>\$ 693</u>	<u>\$ 131,280</u>	<u>\$ 129,340</u>	<u>\$ 137,101</u>	<u>\$ 5,821</u>

TOTAL - HEALTH AND WELFARE FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 624,015	\$ -	\$ 624,015	\$ 608,117	\$ 624,569	\$ 554
Supplies	145,829	595	146,424	147,189	153,211	6,787
Service charges	23,321	98	23,419	17,133	24,866	1,447
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 793,165</u>	<u>\$ 693</u>	<u>\$ 793,858</u>	<u>\$ 772,439</u>	<u>\$ 802,646</u>	<u>\$ 8,788</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**CULTURE AND RECREATION FUNCTION**  
**Year Ended June 30, 2007**

LEISURE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 92,773	\$ -	\$ 92,773	\$ 105,872	\$ 102,197	\$ 9,424
Supplies	11,828	(209)	11,619	10,500	13,800	2,181
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 104,601	\$ (209)	\$ 104,392	\$ 116,372	\$ 115,997	\$ 11,605

CULTURAL AFFAIRS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	2,771	-	2,771	3,203	3,186	415
Service charges	19,217	-	19,217	28,200	23,217	4,000
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 21,988	\$ -	\$ 21,988	\$ 31,403	\$ 26,403	\$ 4,415

HUMANITIES AND MUSEUMS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 383,934	\$ -	\$ 383,934	\$ 443,465	\$ 435,668	\$ 51,734
Supplies	65,209	957	66,166	32,660	80,743	14,577
Service charges	31,974	100	32,074	50,761	50,323	18,249
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 481,117	\$ 1,057	\$ 482,174	\$ 526,886	\$ 566,734	\$ 84,560

TOURISM

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 210,737	\$ -	\$ 210,737	\$ 286,181	\$ 263,481	\$ 52,744
Supplies	4,295	(1,850)	2,445	8,650	6,653	4,208
Service charges	34,779	1,160	35,939	59,180	59,180	23,241
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 249,811	\$ (690)	\$ 249,121	\$ 354,011	\$ 329,314	\$ 80,193

(Continued)



**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**CULTURE AND RECREATION FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

RECREATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,352,040	\$ -	\$ 1,352,040	\$ 1,396,557	\$ 1,356,362	\$ 4,322
Supplies	195,137	(21,339)	173,798	163,026	189,066	15,268
Service charges	530,648	(149)	530,499	623,404	551,764	21,265
Capital outlay	(19,286)	66,286	47,000	-	47,000	-
Total expenditures	\$ 2,058,539	\$ 44,798	\$ 2,103,337	\$ 2,182,987	\$ 2,144,192	\$ 40,855

RECREATION MAINTENANCE

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 1,070,154	\$ -	\$ 1,070,154	\$ 1,157,904	\$ 1,071,073	\$ 919
Supplies	134,191	82,818	217,009	78,103	213,603	(3,406)
Service charges	114,783	-	114,783	75,400	174,177	59,394
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 1,319,128	\$ 82,818	\$ 1,401,946	\$ 1,311,407	\$ 1,458,853	\$ 56,907

COMMUNITY SERVICE - ADMINISTRATION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 387,268	\$ -	\$ 387,268	\$ 471,898	\$ 439,752	\$ 52,484
Supplies	49,693	175	49,868	69,300	56,158	6,290
Service charges	215,025	(2,576)	212,449	302,240	291,246	78,797
Capital outlay	10,207	40,196	50,403	-	55,408	5,005
Total expenditures	\$ 662,193	\$ 37,795	\$ 699,988	\$ 843,438	\$ 842,564	\$ 142,576

(Continued)

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**CULTURE AND RECREATION FUNCTION (CONTINUED)**  
**Year Ended June 30, 2007**

CITY PARK OPERATIONS

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 77,711	\$ -	\$ 77,711	\$ 124,983	\$ 83,118	\$ 5,407
Supplies	2,656	243	2,899	4,550	4,550	1,651
Service charges	39,964	112	40,076	44,750	46,250	6,174
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ 120,331	\$ 355	\$ 120,686	\$ 174,283	\$ 133,918	\$ 13,232

RECREATION LEISURE SERVICES

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL - CULTURE AND RECREATION FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ 3,574,617	\$ -	\$ 3,574,617	\$ 3,986,860	\$ 3,751,651	\$ 177,034
Supplies	465,780	60,795	526,575	369,992	567,759	41,184
Service charges	986,390	(1,353)	985,037	1,183,935	1,196,157	211,120
Capital outlay	(9,079)	106,482	97,403	-	102,408	5,005
Total expenditures	\$ 5,017,708	\$ 165,924	\$ 5,183,632	\$ 5,540,787	\$ 5,617,975	\$ 434,343

**CITY OF KENNER, LOUISIANA**  
**COMBINING SCHEDULE OF DEPARTMENTAL EXPENDITURES - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**TRANSIT FUNCTION**  
**Year Ended June 30, 2007**

TOTAL - TRANSIT FUNCTION

EXPENDITURES	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
Personnel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	-	-	-	-	-	-
Service charges	261,376	-	261,376	457,771	227,771	(33,605)
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>\$ 261,376</u>	<u>\$ -</u>	<u>\$ 261,376</u>	<u>\$ 457,771</u>	<u>\$ 227,771</u>	<u>\$ (33,605)</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Intergovernmental	\$ 1,102,654	\$ (463)	\$ 1,102,191	\$ 1,926,315	\$ 3,803,316	\$ (2,701,125)
Interest	4,105		4,105	-	-	4,105
Miscellaneous	-		-	-	-	-
Total revenues	1,106,759	(463)	1,106,296	1,926,315	3,803,316	(2,697,020)
<b>EXPENDITURES</b>						
Public works	-		-	-	-	-
Culture and recreation	183,669		183,669	488,236	625,894	442,225
Urban development	1,117,940	(463)	1,117,477	1,762,741	3,514,408	2,396,931
Total expenditures	1,301,609	(463)	1,301,146	2,250,977	4,140,302	2,839,156
Excess (deficiency) of revenues over (under) expenditures	(194,850)	-	(194,850)	(324,662)	(336,986)	142,136
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	367,486	-	367,486	324,662	336,986	30,500
Total other financing sources (uses)	367,486	-	367,486	324,662	336,986	30,500
Net change in fund balance	172,636	-	172,636	-	-	172,636
Fund balance - beginning of year	210,954	-	210,954	210,954	210,954	-
Fund balance - end of year	\$ 383,590	\$ -	\$ 383,590	\$ 210,954	\$ 210,954	\$ 172,636

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>EXPENDITURES</b>						
Public works:						
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total public works	-	-	-	-	-	-
Culture and recreation:						
Capital outlay	183,669	87	183,756	488,236	625,894	442,138
Total culture and recreation	183,669	87	183,756	488,236	625,894	442,138
Urban development:						
Personnel	407,053	-	407,053	475,785	500,972	93,919
Supplies	(1,561)	(437)	(1,998)	2,694	4,694	6,692
Service charges	36,366	(60)	36,306	35,934	36,934	628
Capital Outlay	676,082	34	676,116	1,248,328	2,971,808	2,295,692
Total urban development	1,117,940	(463)	1,117,477	1,762,741	3,514,408	2,396,931
Total expenditures	\$ 1,301,609	\$ (376)	\$ 1,301,233	\$ 2,250,977	\$ 4,140,302	\$ 2,839,069

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**ROADS AND BRIDGES FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 446,220	\$ -	\$ 446,220	\$ 905,516	\$ 455,516	\$ (9,296)
Intergovernmental	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total revenues	446,220	-	446,220	905,516	455,516	(9,296)
<b>EXPENDITURES</b>						
Public works:						
Personnel	558,963	-	558,963	856,289	562,093	3,130
Supplies	184,506	8,025	192,531	239,048	149,186	(43,345)
Service charges	(3,130)	-	(3,130)	30,200	517	3,647
Total expenditures	740,339	8,025	748,364	1,125,537	711,796	(36,568)
Excess (deficiency) of revenues over (under) expenditures	(294,119)	(8,025)	(302,144)	(220,021)	(256,280)	(45,864)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	294,119	-	294,119	220,021	256,280	37,839
Net change in fund balance	-	(8,025)	(8,025)	-	-	(8,025)
Fund balance - beginning of year	5,062	(5,062)	-	-	-	-
Fund balance - end of year	\$ 5,062	\$ (13,087)	\$ (8,025)	\$ -	\$ -	\$ (8,025)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STREET LIGHTING FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 49	\$ -	\$ 49	\$ -	\$ -	\$ 49
Intergovernmental	-	-	-	-	-	-
Interest	127	-	127	-	-	127
Total revenues	176	-	176	-	-	176
<b>EXPENDITURES</b>						
Public works:						
Personnel	134,893	-	134,893	154,559	134,455	(438)
Supplies	145,641	9,255	154,896	68,170	166,323	11,427
Service charges	1,162,617	-	1,162,617	975,936	1,013,012	(149,605)
Total expenditures	1,443,151	9,255	1,452,406	1,198,665	1,313,790	(138,616)
Excess (deficiency) of revenues over (under) expenditures	(1,442,975)	(9,255)	(1,452,230)	(1,198,665)	(1,313,790)	(138,440)
<b>OTHER FINANCING SOURCES</b>						
Transfers in	1,442,975	-	1,442,975	1,198,665	1,313,790	129,185
Net change in fund balance	-	(9,255)	(9,255)	-	-	(9,255)
Fund balance - beginning of year	14,582	(14,582)	-	-	-	-
Fund balance - end of year	\$ 14,582	\$ (23,837)	\$ (9,255)	\$ -	\$ -	\$ (9,255)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**AD VALOREM TAX BONDS FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Ad valorem tax	\$ 1,985,103	\$ -	\$ 1,985,103	\$ 1,981,845	\$ 1,981,845	\$ 3,258
Interest on invested funds	22,957	-	22,957	-	-	22,957
Total revenues	2,008,060	-	2,008,060	1,981,845	1,981,845	26,215
<b>EXPENDITURES</b>						
Debt service:						
Principal	1,235,000	-	1,235,000	1,235,000	1,235,000	-
Interest and fiscal charges	746,845	-	746,845	746,845	746,845	-
Agent fees	-	-	-	-	-	-
Total expenditures	1,981,845	-	1,981,845	1,981,845	1,981,845	-
Excess (deficiency) of revenues over (under) expenditures	26,215	-	26,215	-	-	26,215
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	26,215	-	26,215	-	-	26,215
Fund balance - beginning of year	19,180	-	19,180	19,180	19,180	-
Fund balance - end of year	\$ 45,395	\$ -	\$ 45,395	\$ 19,180	\$ 19,180	\$ 26,215



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FIREMEN'S PENSION MERGER FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes						
Fire insurance premium	\$ 240,551	\$ -	\$ 240,551	\$ 209,989	\$ 209,989	\$ 30,562
Interest on invested funds	23,219	-	23,219	11,270	11,270	11,949
Miscellaneous	99,335	-	99,335	16,444	16,444	82,891
Total revenues	363,105	-	363,105	237,703	237,703	125,402
<b>EXPENDITURES</b>						
Debt service:						
Principal	50,152	-	50,152	50,152	50,152	-
Interest and fiscal charges	187,551	-	187,551	187,551	187,551	-
Total expenditures	237,703	-	237,703	237,703	237,703	-
Excess (deficiency) of revenues over (under) expenditures	125,402	-	125,402	-	-	125,402
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	125,402	-	125,402	-	-	125,402
Fund balance - beginning of year	340,234	-	340,234	340,234	340,234	-
Fund balance - end of year	\$ 465,636	\$ -	\$ 465,636	\$ 340,234	\$ 340,234	\$ 125,402

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL DEBT FUND**  
**Year Ended June 30, 2007**

	ACTUAL	ADJUSTMENT TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>REVENUES</b>						
Taxes:						
Sales tax	\$ 4,085,736	\$ -	\$ 4,085,736	\$ 3,883,587	\$ 3,883,587	\$ 202,149
Interest on invested funds	200,793	-	200,793	226,189	226,189	(25,396)
Miscellaneous	25,153	(25,153)	-	-	-	-
Total revenues	4,311,682	(25,153)	4,286,529	4,109,776	4,109,776	176,753
<b>EXPENDITURES</b>						
Debt service:						
Principal	3,834,868	(24,868)	3,810,000	3,810,000	3,810,000	-
Interest	1,617,312	(285)	1,617,027	1,580,426	1,617,026	(1)
Miscellaneous	36,000	-	36,000	72,600	36,000	-
Total expenditures	5,488,180	(25,153)	5,463,027	5,463,026	5,463,026	(1)
Excess (deficiency) of revenues over (under) expenditures	(1,176,498)	-	(1,176,498)	(1,353,250)	(1,353,250)	176,752
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,387,061	-	1,387,061	1,353,250	1,353,250	33,811
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	1,387,061	-	1,387,061	1,353,250	1,353,250	33,811
Net change in fund balance	210,563	-	210,563	-	-	210,563
Fund balance - beginning of year	4,035,794	-	4,035,794	4,035,794	4,035,794	-
Fund balance - end of year	\$ 4,246,357	\$ -	\$ 4,246,357	\$ 4,035,794	\$ 4,035,794	\$ 210,563

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL**  
**WASTEWATER OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>OPERATING REVENUES</b>						
Charges for services						
Sewerage service charges	\$ 3,836,783	\$ -	\$ 3,836,783	\$ 4,429,143	\$ 4,329,143	\$ (492,360)
Miscellaneous	-	-	-	1,100	1,100	(1,100)
Total operating revenues	3,836,783	-	3,836,783	4,430,243	4,330,243	(493,460)
<b>OPERATING EXPENSES</b>						
Building and maintenance expenses	-	-	-	25,000	25,000	25,000
Outside services	5,391,349	-	5,391,349	4,888,380	5,388,380	(2,969)
Depreciation	2,169,080	(2,169,080)	-	-	-	-
Other	14,693	-	14,693	73,077	73,077	58,384
Total operating expenses	7,575,122	(2,169,080)	5,406,042	4,986,457	5,486,457	80,415
Operating income (loss)	(3,738,339)	2,169,080	(1,569,259)	(556,214)	(1,156,214)	(413,045)
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Ad valorem taxes	445,939	-	445,939	559,681	459,681	(13,742)
Grant revenue	587,691	-	587,691	-	500,000	87,691
Interest income	9,505	-	9,505	(3,467)	705	8,800
Interest expense	(292)	-	(292)	-	(4,172)	3,880
Total non-operating revenues (expenses)	1,042,843	-	1,042,843	556,214	956,214	86,629
Income (loss) before contributions and transfers	(2,695,496)	2,169,080	(526,416)	-	(200,000)	(326,416)
Capital contributions	1,011,405	(1,011,405)	-	-	-	-
Transfer in	424,547	-	424,547	-	200,000	224,547
Change in net assets	(1,259,544)	1,157,675	(101,869)	-	-	(101,869)
Net assets - beginning of year	53,811,991	-	53,811,991	53,811,991	53,811,991	-
Net assets - end of year	\$ 52,552,447	\$ 1,157,675	\$ 53,710,122	\$ 53,811,991	\$ 53,811,991	\$ (101,869)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL**  
**CIVIC CENTER OPERATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	ACTUAL	ADJ. TO BUDGETARY BASIS	BUDGETARY	BUDGETARY AMOUNTS		VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
				ORIGINAL BUDGET	FINAL BUDGET	
<b>OPERATING REVENUES</b>						
Charges for services:						
Rental charges	\$ 704,092	\$ -	\$ 704,092	\$ 750,000	\$ 750,000	\$ (45,908)
Parking	39,125	-	39,125	50,000	50,000	(10,875)
Concessions	115,062	-	115,062	70,000	70,000	45,062
Catering	118,713	-	118,713	100,000	100,000	18,713
Reimbursed services	317,743	-	317,743	135,900	135,900	181,843
Advertising	37,249	-	37,249	44,000	44,000	(6,751)
Miscellaneous	6,922	-	6,922	5,500	5,500	1,422
Total charges for services	1,338,906	-	1,338,906	1,155,400	1,155,400	183,506
Miscellaneous	32,610	-	32,610	17,100	17,100	15,510
Total operating revenues	1,371,516	-	1,371,516	1,172,500	1,172,500	199,016
<b>OPERATING EXPENSES</b>						
Supplies and other expenses	18,150	-	18,150	22,200	22,200	4,050
Building and maintenance expense	453,996	992,725	1,446,721	775,870	1,361,268	(85,453)
Outside services	1,208,417	-	1,208,417	1,162,580	1,162,580	(45,837)
Insurance premiums	99,241	-	99,241	115,050	115,050	15,809
General expenses:						
Depreciation	734,633	(734,633)	-	-	-	-
Other	-	(534)	(534)	-	-	534
Total operating expenses	2,514,437	257,558	2,771,995	2,075,700	2,661,098	(110,897)
Operating Income (loss)	(1,142,921)	(257,558)	(1,400,479)	(903,200)	(1,488,598)	88,119
<b>NON-OPERATING REVENUES</b>						
Hotel/motel taxes	196,045	-	196,045	528,122	528,122	(332,077)
Cable television franchise fees	354,778	-	354,778	382,013	382,013	(27,235)
Interest income	156,888	-	156,888	85,512	85,512	71,376
Proceeds from insurance	4,010,212	(3,524,710)	485,502	-	585,398	(99,896)
Total non-operating revenues	4,717,923	(3,524,710)	1,193,213	995,647	1,581,045	(387,832)
Change in net assets	3,575,002	(3,782,268)	(207,266)	92,447	92,447	(299,713)
Net assets - beginning of year	22,113,978	-	22,113,978	22,113,978	22,113,978	-
Net assets - end of year	<u>\$ 25,688,980</u>	<u>\$ (3,782,268)</u>	<u>\$ 21,906,712</u>	<u>\$ 22,206,425</u>	<u>\$ 22,206,425</u>	<u>\$ (299,713)</u>

**CITY OF KENNER, LOUISIANA**  
**INTERNAL SERVICE FUND DESCRIPTIONS**  
**June 30, 2007**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

**SELF-INSURANCE FUND**

The Self-Insurance Fund accounts for monies accumulated to provide automobile, property damage and worker's compensation for which the City is self-insured.

**HEALTH INSURANCE FUND**

The Health Insurance Fund accounts for monies accumulated to pay the health insurance premiums.

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**June 30, 2007**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>ASSETS</b>			
Cash	\$ 1,011,256	\$ 340,031	\$ 1,351,287
Equity in pooled cash	8,034	103	8,137
Investments	1,515,415	-	1,515,415
Due from other funds	469,210	-	469,210
	<u>3,003,915</u>	<u>340,134</u>	<u>3,344,049</u>
Total assets			
	<u>3,003,915</u>	<u>340,134</u>	<u>3,344,049</u>
<b>LIABILITIES</b>			
Accounts payable	750	-	750
Estimated claims payable	3,718,580	-	3,718,580
Due to other funds	-	340,134	340,134
	<u>3,719,330</u>	<u>340,134</u>	<u>4,059,464</u>
Total liabilities			
	<u>3,719,330</u>	<u>340,134</u>	<u>4,059,464</u>
<b>NET ASSETS</b>			
Restricted	<u>\$ (715,415)</u>	<u>\$ -</u>	<u>\$ (715,415)</u>

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2007**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>OPERATING REVENUES</b>			
Charges for services	\$ 700,000	\$ 3,978,291	\$ 4,678,291
<b>OPERATING EXPENSES</b>			
Outside services	333,331	-	333,331
Insurance claims	1,932,252	-	1,932,252
Insurance premiums	-	4,169,799	4,169,799
Total operating expenses	2,265,583	4,169,799	6,435,382
Operating loss	(1,565,583)	(191,508)	(1,757,091)
<b>NON-OPERATING REVENUE</b>			
Interest revenue	160,155	9,077	169,232
Total non-operating revenue	160,155	9,077	169,232
Income (loss) before transfers	(1,405,428)	(182,431)	(1,587,859)
Transfers in	-	182,252	182,252
Change in net assets	(1,405,428)	(179)	(1,405,607)
Net assets - beginning of year	690,013	179	690,192
Net assets - end of year	\$ (715,415)	\$ -	\$ (715,415)

**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2007**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>Cash flows from operating activities:</b>			
Receipts from insured	\$ 700,000	\$ 3,978,291	\$ 4,678,291
Payments to suppliers	(1,487,285)	(4,169,799)	(5,657,084)
Internal activity - receipts from other funds	141,419	340,134	481,553
Net cash provided by (used for) operating activities	<u>(645,866)</u>	<u>148,626</u>	<u>(497,240)</u>
<b>Cash flows from non-capital financing activities:</b>			
Internal activity - receipts from other funds	-	182,252	182,252
Net cash provided by (used for) non-capital financing activities	<u>-</u>	<u>182,252</u>	<u>182,252</u>
<b>Cash flows from investing activities:</b>			
Proceeds from sales and maturities of investments	10,265,153	-	10,265,153
Purchase of investments	(9,499,509)	-	(9,499,509)
Interest and dividends received	160,156	9,078	169,234
Net cash provided by (used for) investing activities	<u>925,800</u>	<u>9,078</u>	<u>934,878</u>
Net increase (decrease) in cash and cash equivalents	279,934	339,956	619,890
Cash and cash equivalents, beginning of year	739,356	178	739,534
Cash and cash equivalents, end of year	<u>\$ 1,019,290</u>	<u>\$ 340,134</u>	<u>\$ 1,359,424</u>
<b>Reconciliation to Statement of Net Assets:</b>			
Cash	\$ 1,011,256	\$ 340,031	\$ 1,351,287
Equity in pooled cash	8,034	103	8,137
Cash and cash equivalents, end of year	<u>\$ 1,019,290</u>	<u>\$ 340,134</u>	<u>\$ 1,359,424</u>
<b>Reconciliation of operating loss to net cash provided by (used for) operating activities:</b>			
Operating loss	\$ (1,565,583)	\$ (191,508)	\$ (1,757,091)
Adjustments to reconcile operating loss to net cash provided by operating activities:			
Change in assets and liabilities:			
Decrease (increase) in due from other funds	186,061	-	186,061
Decrease (increase) in accounts payable	(700)	-	(700)
Increase (decrease) in estimated claims payable	778,998	-	778,998
Increase (decrease) in due to other funds	(44,642)	340,134	295,492
Total adjustments	<u>919,717</u>	<u>340,134</u>	<u>1,259,851</u>
Net cash provided by (used for) operating activities	<u>\$ (645,866)</u>	<u>\$ 148,626</u>	<u>\$ (497,240)</u>



**CITY OF KENNER, LOUISIANA**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**INTERNAL SERVICE FUNDS**  
**Year Ended June 30, 2007**

	SELF- INSURANCE FUND	HEALTH INSURANCE FUND	TOTAL
<b>Noncash investing, capital, and financing activities:</b>			
Gain on fair market value of investments	\$ -	\$ -	\$ -
(Increase) in fair market value of investments	-	-	-
Net effect of noncash activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF COUNCILPERSONS' COMPENSATION**  
**YEAR ENDED JUNE 30, 2007**  
**(UNAUDITED)**

<u>COUNCILPERSON</u>	<u>NUMBER OF DAYS SERVED</u>	<u>COMPENSATION</u>
Marc Johnson	365	\$ 28,599
Michele Branigan	365	32,436
Kent Denapolis	365	25,762
Joseph Stagni	365	24,240
Ben Zahn	365	23,774
Maria Defrancesch	365	23,774
Jeannie Black	365	29,763

## STATISTICAL SECTION

This part of the City of Kenner's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the city's overall financial health.

### Contents

### Schedules

#### **Financial Trends**

1 - 4

These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.

#### **Revenue Capacity**

5 - 9

These schedules contain information to help the reader assess the city's most significant local revenue source, the sales tax, as well as the property tax.

#### **Debt Capacity**

10 - 14

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

15 - 16

These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.

#### **Operating Information**

17 - 19

These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF KENNER, LOUISIANA  
**SCHEDULE 1 -- NET ASSETS BY COMPONENT**  
**LAST FIVE FISCAL YEARS**  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 287,195,152	\$ 274,889,538	\$ 265,281,815	\$ 256,363,785	\$ 248,306,577
Restricted	49,913,756	38,374,872	26,478,404	21,009,433	23,398,322
Unrestricted	2,876,355	8,872,178	11,105,112	14,879,543	15,404,612
Total governmental activities net assets	\$ 339,985,263	\$ 322,136,588	\$ 302,865,331	\$ 292,252,761	\$ 287,109,511
Business-type activities					
Invested in capital assets, net of related debt	\$ 62,652,547	\$ 61,818,200	\$ 67,666,013	\$ 70,241,549	\$ 72,959,236
Restricted	31,438,358	32,272,705	-	-	-
Unrestricted	(27,764,318)	(28,471,652)	4,156,291	5,684,420	5,282,191
Total business-type activities net assets	\$ 66,326,587	\$ 65,619,253	\$ 71,822,304	\$ 75,925,969	\$ 78,241,427
Primary government					
Invested in capital assets, net of related debt	\$ 349,847,699	\$ 336,707,738	\$ 332,947,828	\$ 326,605,334	\$ 321,265,813
Restricted	81,352,114	70,647,577	26,478,404	21,009,433	23,398,322
Unrestricted	(24,887,963)	(19,599,474)	15,261,403	20,563,963	20,686,803
Total primary government net assets	\$ 406,311,850	\$ 387,755,841	\$ 374,687,635	\$ 368,178,730	\$ 365,350,938

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 2 -- CHANGES IN NET ASSETS**  
**LAST FIVE FISCAL YEARS**  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Expenses</b>					
Governmental activities:					
General government	\$ 10,598,042	\$ 10,106,706	\$ 11,136,386	\$ 16,926,989	\$ 12,913,839
Public safety	26,394,699	29,638,690	27,037,221	28,711,953	29,340,226
Public works	23,669,806	35,090,785	40,350,132	59,920,613	33,444,226
Health and welfare	911,318	731,349	832,148	866,376	879,045
Culture and recreation	5,096,004	5,173,813	5,599,300	6,199,348	6,250,513
Transit and urban development	1,072,363	1,385,637	1,405,662	1,219,917	1,439,645
Miscellaneous	1,274,825	1,110,104	1,243,559	-	-
Interest on long-term debt and other charges	3,896,539	2,969,250	2,890,988	2,673,906	2,454,040
Total government activities expenses	72,913,596	86,206,334	90,495,396	116,519,102	86,721,534
Business-type activities:					
Wastewater operations	6,578,598	6,649,060	6,724,642	6,822,502	7,575,122
Civic center operations	2,554,315	2,260,446	2,297,633	2,262,446	2,514,437
Total business-type activities expenses	9,132,913	8,909,506	9,022,275	9,084,948	10,089,559
Total primary government expenses	\$ 82,046,509	\$ 95,115,840	\$ 99,517,671	\$ 125,604,050	\$ 96,811,093
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 5,630,748	\$ 5,575,455	\$ 5,292,167	\$ 5,386,009	\$ 5,966,920
Public safety	2,965,595	3,128,651	3,807,737	2,915,463	2,927,322
Public works	3,849,483	3,989,015	4,068,182	3,229,627	3,568,761
Other activities	872,419	978,893	1,101,295	1,055,042	1,214,727
Operating grants and contributions	1,997,317	1,509,754	1,539,206	33,969,171	6,184,413
Capital grants and contributions	1,017,391	1,573,326	3,144,655	2,713,108	1,016,018
Total governmental activities program revenues	16,332,953	16,755,094	18,933,242	49,268,420	20,878,161
Business-type activities:					
Charges for services:					
Wastewater operations	4,134,963	3,932,758	4,108,180	3,654,041	3,836,783
Civic center operations	1,507,672	1,168,806	1,177,791	849,424	1,338,906
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	1,155,685	1,309,657	8,123,606	5,731,335	1,011,405
Total business-type activities program revenues	6,798,320	6,411,221	13,409,577	10,234,800	6,187,094
Total primary government program revenues	\$ 23,131,273	\$ 23,166,315	\$ 32,362,819	\$ 59,503,220	\$ 27,065,255

(continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 2 -- CHANGES IN NET ASSETS**  
**LAST FIVE FISCAL YEARS (CONTINUED)**  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (56,580,643)	\$ (69,451,240)	\$ (71,542,154)	\$ (67,250,682)
Business-type activities	(2,334,593)	(2,498,285)	4,387,302	1,149,852
	<u>\$ (58,915,236)</u>	<u>\$ (71,949,525)</u>	<u>\$ (67,154,852)</u>	<u>\$ (66,100,830)</u>
Total primary government net expense				<u>\$ (69,745,838)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
Governmental activities:				
Taxes				
Ad valorem	\$ 5,284,860	\$ 8,420,830	\$ 8,202,464	\$ 7,107,144
Sales and use	29,420,733	30,685,123	31,510,382	37,224,188
Beer tax	74,909	75,950	70,958	92,224
Parking	1,353,154	1,490,617	1,627,788	1,392,586
Franchise	9,154,813	9,371,889	9,408,622	9,122,764
Unrestricted grants and contributions	536,545	95,113	206,922	436,183
Investment earnings	469,453	285,266	925,014	1,321,158
Miscellaneous	288,714	391,399	318,747	899,720
Gain (loss) on disposal of capital assets	-	-	-	(54,627)
Transfers	-	-	-	(903,228)
Total governmental activities	<u>46,583,181</u>	<u>50,816,187</u>	<u>52,270,897</u>	<u>56,638,112</u>
Business-type activities:				
Taxes				
Ad valorem	446,376	552,763	535,700	478,714
Sales and use	324,110	428,898	493,112	489,735
Franchise	705,592	760,031	726,550	264,847
Unrestricted grants and contributions	12,522	-	-	-
Investment earnings	31,548	27,142	47,724	126,395
Miscellaneous	16,816	22,117	12,663	14,268
Gain (loss) on disposal of capital assets	-	-	-	676,624
Proceeds from insurance	-	-	-	-
Transfers	-	-	-	4,010,212
Total business-type activities	<u>1,536,964</u>	<u>1,790,951</u>	<u>1,815,749</u>	<u>903,228</u>
				<u>2,953,811</u>
Total primary government	<u>\$ 48,120,145</u>	<u>\$ 52,607,138</u>	<u>\$ 54,086,646</u>	<u>\$ 59,591,923</u>
				<u>\$ 66,918,051</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ (9,997,462)	\$ (18,635,053)	\$ (19,271,257)	\$ (10,612,570)
Business-type activities	(797,629)	(707,334)	6,203,051	4,103,663
Total primary government	<u>\$ (10,795,091)</u>	<u>\$ (19,342,387)</u>	<u>\$ (13,068,206)</u>	<u>\$ (6,508,907)</u>
				<u>\$ (5,143,245)</u>
				<u>\$ 2,315,458</u>
				<u>\$ (2,827,787)</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 3 -- FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST FIVE FISCAL YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year				
	2003	2004	2005	2006	2007
General fund					
Reserved	\$ 7,338,139	\$ 1,534,036	\$ 1,807,313	\$ 3,488,905	\$ 3,015,687
Unreserved	3,978,777	9,192,906	8,566,552	11,923,761	14,548,013
Total general fund	<u>\$ 11,316,916</u>	<u>\$ 10,726,942</u>	<u>\$ 10,373,865</u>	<u>\$ 15,412,666</u>	<u>\$ 17,563,700</u>
All other governmental funds					
Reserved	\$ 7,557,497	\$ 7,369,895	\$ 12,612,559	\$ 8,873,307	\$ 8,263,025
Unreserved, reported in:					
Special revenue funds	596,819	1,068,431	850,335	101,618	383,160
Capital projects funds	30,864,692	27,038,670	13,873,112	12,298,987	14,252,947
Total all other governmental funds	<u>\$ 39,019,008</u>	<u>\$ 35,476,996</u>	<u>\$ 27,336,006</u>	<u>\$ 21,273,912</u>	<u>\$ 22,899,132</u>

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 4 -- CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST FIVE YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year			
	2003	2004	2005	2006
Revenues				
Taxes	\$ 44,303,236	\$ 48,272,274	\$ 49,244,807	\$ 53,238,001
Licenses and permits	2,618,274	2,687,581	2,823,174	2,681,243
Intergovernmental	4,026,343	3,914,996	5,730,564	38,022,399
Charges for services	3,356,027	3,450,591	4,324,475	2,807,703
Fines and forfeitures	2,613,318	2,472,038	1,922,748	1,470,243
Interest	337,857	229,500	828,905	1,161,375
Miscellaneous	943,194	1,560,180	1,481,979	1,765,627
Total revenues	<u>58,198,249</u>	<u>62,587,160</u>	<u>66,356,652</u>	<u>101,146,591</u>
Expenditures				
General government	9,471,276	9,446,197	9,326,088	15,872,062
Public safety	23,103,465	23,412,514	22,855,609	24,607,342
Public works	30,259,491	16,770,248	25,165,435	43,955,321
Health and welfare	762,666	675,729	736,402	768,738
Culture and recreation	7,106,462	6,779,011	5,958,943	7,072,612
Transit and urban development	1,037,821	1,333,340	1,340,747	1,216,410
Miscellaneous	1,236,095	1,103,691	1,232,809	-
Debt Service				
Principal	3,579,096	4,933,939	5,207,731	4,957,148
Interest and fiscal charges	2,373,071	2,966,450	2,990,955	2,781,023
Agent Fees	1,247,745	49,905	-	-
Miscellaneous	18,000	34,500	36,000	36,000
Total expenditures	<u>80,195,188</u>	<u>67,505,524</u>	<u>74,850,719</u>	<u>101,266,656</u>
Excess (deficiency) of revenues over (under) expenditures	(21,996,939)	(4,918,364)	(8,494,067)	(120,065)
Other financing sources (uses)				
Transfers in	18,358,647	21,552,254	19,076,976	23,673,849
Transfers out	(18,358,647)	(21,552,254)	(19,076,976)	(24,577,077)
Payment to refunded bond escrow agent	(22,070,959)	-	-	-
Proceeds of refunding bonds and other debt	59,635,782	-	-	-
Total other financing sources (uses)	<u>37,564,823</u>	<u>-</u>	<u>-</u>	<u>(903,228)</u>
Net change in fund balances	<u>\$ 15,567,884</u>	<u>\$ (4,918,364)</u>	<u>\$ (8,494,067)</u>	<u>\$ (1,023,293)</u>
Debt service, (interest and principal only) as a percentage of noncapital expenditures	7.4%	11.7%	11.0%	7.6%
				10.5%



**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 5 -- DIRECT AND OVERLAPPING SALES TAX RATES**  
**LAST TEN YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>City Direct Rate (1)</b>	<b>Overlapping Rates</b>	
		<b>Jefferson Parish (2)</b>	<b>Jefferson Parish School Board</b>
1998	2.5833%	0.1667%	2.0000%
1999	2.5833%	0.1667%	2.0000%
2000	2.5833%	0.1667%	2.0000%
2001	2.5833%	0.1667%	2.0000%
2002	2.5833%	0.1667%	2.0000%
2003	2.5833%	0.1667%	2.0000%
2004	2.5833%	0.1667%	2.0000%
2005	2.5833%	0.1667%	2.0000%
2006	2.5833%	0.1667%	2.0000%
2007	2.5833%	0.1667%	2.0000%

NOTES: (1) As discussed in NOTE F to the Financial Statements, the State of Louisiana levies a 4.0% sales tax on purchases within the City of Kenner. In addition, the Parish of Jefferson levies a 4.75% sales tax on purchases within the City of Kenner. From the 4.75% levied by Jefferson Parish, 2.5833% is collected for, and remitted to, the City of Kenner. The sales tax rate is determined by the Jefferson Parish Council, subject to the approval of the voters of Jefferson Parish. The City of Kenner also receives one-third of a 2% sales tax on purchases made in the airport taxing district located within the city limits, but this amount is insignificant compared to the City's share of the 4.75% Jefferson Parish sales tax.

(2) Jefferson Parish retains .1667% of the 4.75% sales tax levied on purchases within the City of Kenner.

(3) Information regarding the breakdown of taxable sales by category is not available.

(4) Information regarding the principal sales tax remitters is not available.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 6 -- ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year	Real Estate	Personal Property	Tax Sale	Public Service Corporations	Railway Rolling Stock	Total Assessments	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value (1) as a Percentage of Actual Value
1998	\$ 241,398,331	\$ 60,938,732	\$ 3,699,541	\$ 30,195,387	\$ 44,920	\$ 336,276,911	\$ 99,263,364	\$ 237,013,547	\$ 21.70	\$ 3,058,838,980	7.75%
1999	245,918,850	62,500,241	4,820,151	28,922,196	43,660	342,205,098	99,690,817	242,514,281	21.70	3,117,163,990	7.78%
2000	254,284,120	65,933,841	4,459,761	30,302,781	58,630	355,039,133	101,418,082	253,621,051	21.70	3,229,407,157	7.85%
2001	291,404,556	68,936,961	2,799,070	32,836,974	59,320	396,036,881	106,566,854	289,470,027	19.24	3,620,924,627	7.99%
2002	301,464,836	64,234,420	3,064,840	31,651,971	54,620	400,470,687	106,533,925	293,936,762	19.24	3,684,903,500	7.98%
2003	311,030,813	68,166,379	3,464,023	30,730,166	60,770	413,452,151	107,177,755	306,274,396	18.99	3,804,663,793	8.05%
2004	322,026,628	77,645,279	1,989,158	31,033,936	57,070	432,752,071	107,368,993	325,383,078	27.79	3,965,066,427	8.21%
2005	369,431,810	79,188,729	3,320,253	32,768,233	57,790	484,766,815	110,125,676	374,641,139	24.34	4,474,285,643	8.37%
2006	286,403,720	86,273,418	1,207,933	32,958,375	54,090	406,897,536	88,406,826	318,490,710	23.93	3,671,355,750	8.68%
2007	288,932,430	95,346,480	1,186,233	27,614,404	30,310	413,109,857	88,061,041	325,048,816	23.93	4,034,995,413	8.06%

Source: Jefferson Parish Assessor's Office.

NOTE: Assessed values are established by the Parish Assessor by December of each year at 10 percent of assumed market value for real property and 15 percent of assumed market value for other property. A revaluation of all property is required to be completed every four years. The last revaluation was completed for December, 2004. Tax rates are per \$100 of assessed value.

(1) Includes tax-exempt property.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 7 -- DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
(Rate per \$100 of Assessed Value)  
(Unaudited)

Fiscal Year	City Direct Rates						Overlapping Rate		Total Direct & Overlapping Rates
	Basic Rate	Garbage Collection	Fire Protection	General Obligation Debt Service	Street Maintenance & Improvement	Wastewater Operations	Total Direct	Jefferson Parish Districts (1)	
1998	\$ 3.51	\$ 2.71	\$ 12.42	\$ 1.13	-	\$ 1.93	\$ 21.70	\$ 68.86	\$ 90.56
1999	3.51	2.71	12.42	1.13	-	1.93	21.70	69.29	90.99
2000	3.51	2.71	12.42	1.13	-	1.93	21.70	69.29	90.99
2001	3.11	2.40	11.02	1.00	-	1.71	19.24	61.36	80.60
2002	3.11	2.40	11.02	1.00	-	1.71	19.24	67.75	86.99
2003	3.11	2.40	11.02	0.75	-	1.71	18.99	68.99	87.98
2004	3.11	2.40	11.02	0.75	8.80	1.71	27.79	69.82	97.61
2005	2.75	2.12	9.76	0.41	7.79	1.51	24.34	67.25	91.59
2006	2.75	2.12	9.76	-	7.79	1.51	23.93	76.95	100.88
2007	2.75	2.12	9.76	-	7.79	1.51	23.93	68.60	92.53

(1) Source: Jefferson Parish Assessor.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 8 -- PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(Unaudited)

Taxpayer	June 30, 2007			June 30, 1998		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Southwest Airlines	\$10,128,140	1	3.2%	\$ 5,542,400	3	1.7%
Esplanade Mall Ltd. Partnership	8,979,640	2	2.8%			
Entergy Services	4,736,252	3	1.5%	4,372,945	5	1.3%
BellSouth Telecommunications	4,558,170	4	1.4%	7,806,320	1	2.4%
Treasure Chest Casino	4,118,073	5	1.3%	4,108,799	6	1.2%
Alltel Rash & Associates	3,326,343	6	1.0%			
Continental Airlines	2,879,280	7	0.9%	2,687,790	10	0.8%
Lifemark Hospitals of Louisiana, La.	2,749,750	8	0.9%	2,828,210	9	0.9%
Karl Senner, Inc.	2,570,073	9	0.8%			
Wal-Mart Real Estate Business Trust	2,489,000	10	0.8%			
Freeport McMoRan				5,793,722	2	1.8%
CF Kenner Associates				4,880,000	4	1.5%
Sterik Company				2,883,720	7	0.9%
Delta Airlines				2,850,390	8	0.9%
Totals	<u>\$46,534,721</u>		<u>14.60%</u>	<u>\$43,754,296</u>		<u>13.40%</u>

Source: City of Kenner Finance Department

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 9 -- PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected (or Adjusted) within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
1998	\$ 5,143,207	\$ 5,005,049	97.31%	\$ 122,592	\$ 5,127,641	99.70%
1999	5,262,573	5,040,482	95.78%	209,130	5,249,612	99.75%
2000	5,503,590	5,312,280	96.52%	179,772	5,492,052	99.79%
2001	5,569,405	5,441,556	97.70%	67,540	5,509,096	98.92%
2002	5,655,345	5,455,652	96.47%	144,106	5,599,758	99.02%
2003	5,816,207	5,587,414	96.07%	106,365	5,693,779	97.90%
2004	9,042,453	8,675,012	95.94%	184,979	8,859,991	97.98%
2005	9,118,769	8,781,235	96.30%	91,624	8,872,859	97.30%
2006	7,621,482	6,977,226	91.55%	418,495	7,395,721	97.04%
2007	7,778,454	7,536,507	96.89%	N/A	7,536,507	96.89%

Source: City of Kenner Finance Department

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 10 -- RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Certificates of Indebtedness	LCDA Revenue Bonds	Notes Payable	Capital Lease Obligations	Other Obligations	Mortgage Payable			
1998	\$ 1,595,000	\$ 41,290,000	\$ 5,075,000	\$ -	\$ 240,000	\$ 632,161	\$ 58,544	(2) \$ 23,673	\$ 48,914,378	2.51%	\$ 659
1999	1,395,000	39,340,000	4,085,000	-	3,082,795	573,173	29,272	(2) 21,723	48,526,963	2.41%	654
2000	1,190,000	37,305,000	3,045,000	-	2,926,748	510,000	-	19,575	44,996,323	2.21%	600
2001	975,000	35,165,000	8,315,000	-	2,893,506	442,344	-	17,208	47,808,058	2.50%	678
2002	750,000	32,920,000	9,090,000	-	2,857,900	393,255	2,000,000	(3) 16,994	48,028,149	2.51%	681
2003	506,042	46,414,026	8,240,000	22,345,146	2,819,769	292,289	-	14,364	80,631,636	3.86%	1,143
2004	257,869	43,878,803	7,305,000	21,084,981	2,778,934	209,185	-	11,465	75,526,237	3.39%	1,071
2005	-	41,025,198	6,315,000	19,926,077	2,735,204	120,184	-	8,271	70,129,934	3.27%	998
2006	-	37,345,000	5,260,000	18,475,000	2,688,403	24,867	-	4,751	63,798,021	3.60%	913
2007	-	34,650,000	4,145,000	17,240,000	2,638,251	-	-	872	58,674,123	3.94%	881

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) Paving Certificates.

(3) Loan payable to Jefferson Parish.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 11 -- RATIOS OF NET GENERAL BOND DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>			<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
	<b>General Obligation Bonds</b>	<b>Debt Service Monies Available</b>	<b>Net General Obligation Bonds Outstanding</b>		
1998	\$ 1,595,000	\$ 236,258	\$ 1,358,742	0.04%	18.32
1999	1,395,000	219,095	1,175,905	0.04%	15.84
2000	1,190,000	220,821	969,179	0.03%	12.91
2001	975,000	220,448	754,552	0.02%	10.70
2002	750,000	226,621	523,379	0.01%	7.42
2003	510,000	170,992	339,008	0.01%	4.81
2004	260,000	126,956	133,044	0.00%	1.89
2005	-	-	-	0.00%	-
2006	-	-	-	0.00%	-
2007	-	-	-	0.00%	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 8 for property value data.

(2) Population data can be found in Schedule 15.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 12 -- DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2007**  
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Jefferson Parish	\$ 12,490,000	13.63%	\$ 1,702,387
Jefferson Parish Public School System	147,488,044	13.44%	<u>19,822,393</u>
Subtotal, overlapping debt			21,524,780
City direct debt			<u>58,673,251</u>
Total direct and overlapping debt			<u>\$ 80,198,031</u>

Sources: Assessed value data used to estimate applicable percentages provided by Jefferson Parish. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Kenner. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.



CITY OF KENNER, LOUISIANA  
SCHEDULE 13 - LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 117,696,919	\$ 119,771,784	\$ 124,263,697	\$ 138,612,908	\$ 140,164,740	\$ 144,708,253	\$ 151,463,225	\$ 151,463,225	\$ 142,414,138	\$ 144,588,450
Total net debt applicable to limit	8,532,373	7,318,067	5,998,413	10,195,485	10,888,036	32,395,307	5,908,911	4,739,322	3,642,404	2,471,122
Legal debt margin	\$ 109,164,546	\$ 112,453,717	\$ 118,265,284	\$ 128,417,423	\$ 129,276,704	\$ 112,312,946	\$ 145,554,314	\$ 146,723,903	\$ 138,771,734	\$ 142,117,328
Total net debt applicable to the limit as a percentage of debt limit	7.25%	6.11%	4.83%	7.36%	7.77%	22.39%	3.90%	3.13%	2.56%	1.71%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 413,109,857
Debt limit -- 35% of assessed value	\$ 144,588,450
General obligation and excess revenue bonds	\$ 4,145,000
Less: amount available for repayment of general obligation and excess revenue bonds	<u>1,673,878</u>
Total net debt applicable to limit	<u>2,471,122</u>
Legal debt margin	<u>\$ 142,117,328</u>

Note: Louisiana R.S. 39:562 allows for a maximum of 10% of the assessed valuation for bonded debt for any one purpose or 35% of the total assessed value for all purposes.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 14 -- PLEDGED-REVENUE COVERAGE**  
**LAST TWO FISCAL YEARS**  
(Unaudited)

Fiscal Year	Sales Tax Bonds				
	Sales Tax Collections	Debt Service		Coverage	
		Principal	Interest		
2006	\$ 13,244,141	\$ 2,585,000	\$ 1,465,886	3.27	
2007	13,162,726	2,695,000	1,353,895	3.25	

NOTES: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Information for prior fiscal years is not available.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 15 -- DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Personal Income</b>	<b>(2) (4) Per Capita Personal Income</b>	<b>(3) Unemployment Rate</b>
1998	74,180	\$ 1,947,299,180	\$ 26,251	3.3%
1999	74,220	2,011,362,000	27,100	2.9%
2000	75,054	2,033,963,400	27,742	3.9%
2001	70,517	1,911,010,700	29,580	4.6%
2002	70,517	1,916,652,060	30,088	4.6%
2003	70,517	2,088,219,921	30,532	4.9%
2004	70,517	2,227,279,445	31,867	4.1%
2005	70,252	2,142,896,756	25,333	5.4%
2006	69,911	1,771,055,363	25,333	5.7%
2007	66,592	1,487,332,320	22,335	4.9%

(1) Source: Louisiana Tech University for 1996-2000; U.S. Census Bureau 2000 Census for 2001-2004; U.S. Census Bureau 2004 Population Estimate for 2005; U.S. Census Bureau 2005 Population Estimate for 2006; U.S. Census Bureau 2006 Population Estimate for 2007. Except for 2002-2005, the figures represent the City's population for the preceding calendar year. At the time of report issuance, the 2006 Population Estimate was the most current population information available.

(2) Source: Bureau of Economic Analysis, U.S. Department of Commerce for 2000-2005. Figures from the Bureau of Economic Analysis apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality. U.S. Census Bureau 2006 Census for 2006. Figures from the U.S. Census Bureau Census 2006 apply to the City of Kenner.

(3) Source: Louisiana Department of Labor, Research and Statistical Division for calendar years. Figures apply to Jefferson Parish, in which the City of Kenner is an incorporated municipality.

(4) 2005 figure used for 2005 and 2006.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 16 -- PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(Unaudited)

<u>Employer</u>	<u>June 30, 2007</u>			<u>June 30, 1998</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
**		1				
		2				
		3				
		4				
		5				
		6				
		7				
		8				
		9				
		10				
Total	<u>-</u>		<u>0.00%</u>	<u>-</u>		<u>0.00%</u>

\*\* Information not available.

CITY OF KENNER, LOUISIANA  
**SCHEDULE 17 -- FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**JUNE 30, 2007**  
(Unaudited)

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of June 30</u> <u>2007</u>
General government	86
Public safety	356
Public works	99
Health and welfare	30
Culture and recreation	126
Transit and urban development	30
Miscellaneous	
Total	<u><u>727</u></u>

Source: City of Kenner payroll department.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 18 -- OPERATING INDICATORS BY FUNCTION**  
**LAST TWO FISCAL YEARS**  
(Unaudited)

Function	Fiscal Year 2006	Fiscal Year 2007
Police		
Physical arrests	**	**
Parking violations	**	**
Traffic violations	**	**
Fire		
Emergency responses	2,171	2,171
Fires extinguished	232	232
Refuse collection		
Refuse collected (tons per day)	**	**
Recyclables collected (tons per day)	**	**
Water		
New connections	**	**
Water main breaks	**	**
Average daily consumption (thousands of gallons)	**	**
Peak daily consumption (thousands of gallons)	**	**
Other public works		
Street resurfacing (miles)	**	**
Potholes repaired	**	**
Health and welfare	**	**
Culture and recreation	**	**
Wastewater		
Average daily sewage treatment (thousands of gallons)	**	**

\*\* Information not available.

Source: City of Kenner Finance Department.

Note: Indicators are not available for the general government function.

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE 19 -- CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TWO FISCAL YEARS**  
(Unaudited)

Function	Fiscal Year	Fiscal Year
	2006	2007
Police		
Stations	1	1
Patrol units	**	**
Fire		
Stations	6	6
Pieces of equipment	21	21
Water		
Water mains (miles)	**	**
Fire hydrants	**	**
Storage capacity (thousands of gallons)	**	**
Other public works		
Streets (miles)	212	212
Highways (miles)	**	**
Bridges	16	16
Streetlights	6,987	6,987
Traffic signals	**	**
Health and welfare	**	**
Culture and recreation		
Parks	3	3
Playgrounds	11	11
Art Galleries and Museums	10	10
Gymnasiums	10	10
Wastewater		
Sanitary and storm sewers (miles)	905	905
Treatment plants	2	2
Low-lift stations	77	77
Treatment capacity	13.5 MGD	13.5 MGD

Source: City of Kenner finance department

Note: Indicators are not available for the general government function.

## **SINGLE AUDIT**





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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

January 10, 2008

Honorable Mayor and Members of the Council  
City of Kenner, Louisiana

We have audited the financial statements of City of Kenner, Louisiana, as of and for the year ended June 30, 2007, and have issued our report thereon dated January 10, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects City of Kenner, Louisiana's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of City of Kenner, Louisiana's financial statements that is more than inconsequential will not be prevented or detected by City of Kenner, Louisiana's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by City of Kenner, Louisiana's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We have reported to management of the City of Kenner, Louisiana the status of prior year comments in a separate letter dated January 10, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Kenner, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 2007-01.

We have reported to management of the City of Kenner, Louisiana the status of prior year comments in a separate letter dated January 10, 2008.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Haysmann, Hogan & Weber LLP



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

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REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 10, 2008

Honorable Mayor and Members of the Council  
City of Kenner, Louisiana

Compliance

We have audited the compliance of City of Kenner, Louisiana with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2007. City of Kenner, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of Kenner, Louisiana's management. Our responsibility is to express an opinion on City of Kenner, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Kenner, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Kenner, Louisiana's compliance with those requirements.

In our opinion, City of Kenner, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of City of Kenner, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of Kenner, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Kenner, Louisiana's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, City Council, Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Chapman, Hogan & Maher LLP*

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Direct Programs:			
Community Development Block Grant	14.218	B-04-MC-22-008	\$ 302,368
Community Development Block Grant	14.218	B-05-MC-22-008	713,921
			<u>1,016,289</u>
Passed through Jefferson Parish:			
Home Investment Partnership Program (HOME)	14.239	M99-DC-22-0207	64,274
Home Investment Partnership Program (HOME)	14.239	M00-DC-22-0207	1,560
			<u>65,834</u>
Passed through Louisiana Department of Social Services:			
Emergency Shelter Grants Program	14.231		19,908
			<u>19,908</u>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<u><u>\$ 1,102,031</u></u>
<b>DEPARTMENT OF JUSTICE</b>			
Direct Programs:			
High Intensity Drug Traffic Area Grant	Unknown	Unknown	\$ 44,469
			<u>44,469</u>
Passed Through Louisiana Commission Law Enforcement:			
Municipal Narcotics Task Force Grant	16.579	-	9,732
Municipal Narcotics Task Force Grant	16.579	-	36,194
Victim Assistance Program		C06-7-029	8,560
Targeting Computer and High Tech. Crime		B06-7-004	4,645
Criminal Justice Infrastructure Recovery *	16.738	Y06-9-025	323,521
			<u>382,652</u>
Passed through Office of Justice Programs:			
Bulletproof Vest Partnership Grant Program	16.607	-	4,698
Local Law Enforcement Block Grant	16.592	05-DJ-BX-0510	26,457
Local Law Enforcement Block Grant	16.592	06-DJ-BX-1047	23,108
			<u>54,263</u>
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<u><u>\$ 481,384</u></u>

(Continued)

**CITY OF KENNER, LOUISIANA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2007**

<u>FEDERAL GRANTOR / PASS-THROUGH GRANTOR / PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			
Passed through Louisiana Office of Emergency Preparedness:			
Disaster # 1603 Relief (Hurricane Katrina) *	83.544	1603-DR-LA	
General Fund			\$ 861,281
Garbage Collection Fund			4,113,633
Waste Water			500,000
			<u>5,474,914</u>
Disaster # 1601 Relief (Hurricane Cindy)	83.544	1601-DR-LA	119,449
			<u>119,449</u>
<b>TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY</b>			<u><u>\$ 5,594,363</u></u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Direct Programs:			
Wastewater Operations Consolidation	66.606	XP-98617701-0	\$ 493,263
			<u>493,263</u>
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<u><u>\$ 493,263</u></u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Passed Through Louisiana Highway Safety Commission:			
Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	PT 06-12-00	\$ 2,233
Police Patrols Over Safe Streets Everywhere (POSSE)	20.600	PT 07-19-00	25,750
			<u>25,750</u>
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<u><u>\$ 27,983</u></u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u><u>\$ 7,699,024</u></u>

\* This program is considered a "major" program under OMB Circular A-133.

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**CITY OF KENNER, LOUISIANA**  
**NOTES TO SCHEDULE OF FEDERAL AWARD EXPENDITURES**  
**JUNE 30, 2007**

**NOTE A - SCOPE OF AUDIT PURSUANT TO GOVERNMENT AUDITING STANDARDS, OMB CIRCULAR A-133, "AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS" AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS**

All federal grant operations of the City of Kenner, Louisiana, are included in the scope of the single audit. Those programs which were major grants and which were selected for specific testing included:

1. **Federal Emergency Management Agency**  
Disaster # 1603 Relief (Hurricane Katrina)
2. **Department of Justice**  
Criminal Justice Infrastructure Recovery Grant

**NOTE B - FISCAL PERIOD AUDITED**

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2007.

**NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants. Several programs are funded jointly by State of Louisiana appropriations and federal funds. Costs incurred in programs partially funded by federal grants are applied against federal grant funds to the extent of revenue available when they properly apply to the grant.

2. **Accrued and Deferred Reimbursement**

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements received. Generally, accrued balances caused by differences in the timing of cash reimbursements and expenditures will be reversed in the remaining grant period.

**CITY OF KENNER, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2007**

**A. SUMMARY OF AUDITOR'S RESULTS**

The auditor's report expresses an unqualified opinion on the financial statements of the City of Kenner, Louisiana.

No control deficiencies relating to the audit of the financial statements are reported in the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.

An instance of noncompliance material to the financial statements of City of Kenner, Louisiana, which would be required to be reported in accordance with *Government Auditing Standards*, was disclosed during the audit.

No control deficiencies relating to the audit of internal control over major federal award programs are reported in the *Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.

The auditor's report on compliance for the major federal award programs for the City of Kenner, Louisiana expresses an unqualified opinion on all major federal programs.

The audit disclosed no findings which are required to be reported by OMB Circular A-133.

The programs tested as major programs include:

	<u>CFDA Number/Grant Number</u>
Disaster # 1603 Relief (Hurricane Katrina)	83.544
Criminal Justice Infrastructure Recovery Grant	16.738

The threshold for distinguishing Types A and B programs was \$300,000.

City of Kenner, Louisiana qualified as a low-risk auditee.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

**2007-01 Filing of Audit Report**

**Condition and Criteria:** The City of Kenner did not submit the audit report by the original audit submission deadline. The original deadline was December 31, 2007. The City of Kenner requested an extension until January 31, 2008 which was approved by the Legislative Auditor.

**Effect:** The audit report was not filed by the original deadline of December 31, 2007. The audit report was filed by the approved extended deadline.

**Cause:** During the year, the City converted to a new financial management computer system which required a significant amount of time for implementation and conversion of financial information which caused a delay in finalizing the completion of the financial statements. In addition, the continuing effects of Hurricane Katrina on the City's financial statements contributed to the delay in completing the financial statements.

**Recommendation:** No specific recommendation is necessary because the reasons for the delay should not be a problem for future periods. We do recommend that the City continue to comply with State law governing audit submission requirements.

**Management's Response:** Management does not anticipate a reoccurrence of these issues and intends to file the audit report by December 31 in subsequent years.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

No findings noted.



**CITY OF KENNER, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2007**

**A. FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT**

**2006-01 Laws and Regulations**

The Legislative Auditor performed an investigative examination and issued a report dated April 7, 2004. This report is available on the Legislative Auditor's website at [www.la.state.la.us](http://www.la.state.la.us). The agency ID number is 2181 and the report ID number is 04300914. Issues related to asset management laws were addressed in the report. Management provided responses to the issues which were included in the report. It was stated that the report was being delivered to the Louisiana Board of Ethics and other authorities as required by state law. Additionally, it was indicated that the Legislative Auditor would continue to monitor the findings until resolved.

The current administration has implemented many of the recommendation and is still in the process of addressing any remaining issues. Management has not been contacted and is not aware of any follow up actions by any agencies or authorities. Management has indicated they will continually strive to address compliance with all applicable laws and regulations.

**Current Status** – This finding was resolved for the current year ended June 30, 2007. The administration addressed all of the findings. Additionally, there were comments related to recommendations for improvements. All of these comments were considered, and policies and procedures were implemented to address recommendations, as warranted by the administration.

**2006-02 Policies and Procedures**

The Legislative Auditor performed an investigative examination and issued a report dated April 7, 2004. This report is available on the Legislative Auditor's website at [www.la.state.la.us](http://www.la.state.la.us). The agency ID number is 2181 and the report ID number is 04300914.

Areas related to controls over purchasing and disbursements, internal auditing, financial management and written policies and procedures were addressed in the report. Management provided responses to the areas which were included in the report.

The current administration has implemented many of the recommendations and is still in the process of evaluating existing operations. Management has indicated that they are continually evaluating their policies and procedures to maintain and improve efficiencies.

**Current Status** – This finding was resolved for the current year ended June 30, 2007. The administration addressed all of the findings. Additionally, there were comments related to recommendations for improvements. All of these comments were considered, and policies and procedures were implemented to address recommendations, as warranted by the administration.

**B. FINDINGS RELATED TO FEDERAL AWARD PROGRAMS**

None.



DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

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AMERICAN INSTITUTE OF  
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SOCIETY OF LA. C.P.A.s

January 10, 2008

Honorable Mayor  
and Members of the Council  
City of Kenner, Louisiana

We have audited the financial statements of the City of Kenner, Louisiana for the year ended June 30, 2007 and have issued our report thereon dated January 10, 2008. Since there were no findings reported in a management letter this year, we would like to provide information on the resolution of the prior year comments.

#### STATUS OF PRIOR YEAR COMMENTS:

#### LAWS AND REGULATIONS: (2006-01)

The Legislative Auditor performed an investigative examination and issued a report dated April 7, 2004. This report is available on the Legislative Auditor's website at [www.la.state.la.us](http://www.la.state.la.us). The agency ID number is 2181 and the report ID number is 04300914. Issues related to asset management laws were addressed in the report. Management provided responses to the issues which were included in the report. It was stated that the report was being delivered to the Louisiana Board of Ethics and other authorities as required by state law. Additionally, it was indicated that the Legislative Auditor would continue to monitor the findings until resolved.

This finding was resolved for the current year ended June 30, 2007. The administration addressed all of the findings. Additionally, there were comments related to recommendations for improvements. All of these comments were considered and policies and procedures were implemented to address recommendations as warranted by the administration.

#### POLICIES AND PROCEDURES: (2006-02)

The Legislative Auditor performed an investigative examination and issued a report dated April 7, 2004. This report is available on the Legislative Auditor's website at [www.la.state.la.us](http://www.la.state.la.us). The agency number is 2181 and the report ID number is 04300914.

Areas related to controls over purchasing and disbursements, internal auditing, financial management and written policies and procedures were addressed in the report. Management provided responses to the areas which were included in the report.

This finding was resolved for the current year ended June 30, 2007. The administration addressed all of the findings. Additionally, there were comments related to recommendations for improvements. All of these comments were considered and policies and procedures were implemented to address recommendations as warranted by the administration.

USE OF PUBLIC FUNDS: (2006-03)

During the prior year, the City of Kenner held an annual volunteer coaches party. The private use of public funds is prohibited.

The past administration believed that the Kenner Volunteer Coaches Crawfish Boil served many important purposes that are instrumental to successful citywide youth recreational involvement. First, it serves as a (successful) recruiting tool – these coaches serve on a purely volunteer basis and devote a considerable amount of their personal time. The Crawfish Boil is a perfect opportunity for coaches, present and past, to welcome those interested and, secondly, this naturally leads to discourse about what the Recreation Department does and how it benefits the children of Kenner. It facilitates open discussion about the previous season – the pros/cons of the program and ideas about how to improve things to better serve the children involved for the next year. At the event, the administration and volunteers air out opinions/differences (if any) and set goals for the future. The event serves as a mini “think-tank” where new ideas and improvements can be fully realized.

During the prior year, the City of Kenner held an annual employee meeting. The private use of public funds is prohibited.

The past administration believed that the annual employee meeting served many important purposes. The meeting is an opportunity for the Mayor to discuss issues regarding City workers. For example, the Mayor had the director of Human Resources update the employees on insurance. Additionally, this meeting allows the Mayor to directly communicate with all employees and update them on the state of the City. The past administration believed that the use of public funds may be utilized to enlighten personnel with regard to City matters. As such, the past administration believed the employee business meeting does serve a public purpose.

These findings did not occur during the fiscal year ended June 30, 2007. There was no annual employee meeting held or annual volunteer coaches party held during the current year.

CAPITAL ASSETS: (2006-04)

Louisiana Revised Statute 24:515(B) requires every public entity to maintain records of all capital assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition and recipients of disposed assets.

The City took a physical inventory of all capital assets for the year ended June 30, 2003. The amounts from the inventory were not properly reconciled to the general ledger. Adjustments were made during the current year to reconcile the beginning balances to the physical inventory. Also during the current year, the property records were not updated and reconciled on a timely basis. The infrastructure that has been identified should be maintained on the City's capital asset system.

This finding was resolved for the year ended June 30, 2007. The City's property records were updated and reconciled to the general ledger. Additionally, the infrastructure was added to the City's capital asset system.

CONTRACTS ISSUED FOR HURRICANE KATRINA: (2006-05)

During the year ended June 30, 2006, the City entered into several no-bid contracts related to work associated with Hurricane Katrina. The City indicated they issued these contracts because of the emergency of Hurricane Katrina. An emergency means an unforeseen mischance bringing with it destruction or injury of life or property or the imminent threat or destruction or injury as the result of an order from any judicial body to take immediate action which requires construction or repairs absent compliance with the formalities of the public bid law. An emergency did exist and was declared for Hurricane Katrina; so specific rules of the public bid law would not apply.

The actual procedures in which the City issued contracts, however, have been under scrutiny. For instance, the City amended an existing contract instead of entering into a new contract. The City had a street maintenance contract in place with an existing contractor. This contract was amended for debris removal components that were not in the original contract. The public bid law does not provide the ability to change the scope of the contract in the manner that it was done.

Although there are still questions of whether or not the City followed all rules and regulations, determinations were made by several authorities to still reimburse the City for Hurricane Katrina expenditures. Because of the unusual event and the confusion of many agencies, additional criteria was used for Federal Emergency Management Agency (FEMA) reimbursement purposes. The Legislative Auditor recommended reimbursement based on reasonable rates and not contract rates.

January 10, 2008

This matter has been resolved. The current administration is aware that improvements were needed in addressing emergency situations. The current administration had already put in place procedures and had publicly bid for contracts for the subsequent hurricane season. Management is aware that investigations and litigation may be on-going. Management has not been specifically contacted and is not aware of any required follow-up actions. Management will continue the process of addressing all issues regarding the issuance of contracts in emergency situations.

PROPERTY TAX SALES: (2006-06)

The City conducted its property tax sale for 2002 taxes based on a first in line method. The tax sale took place and the past Mayor's father was allowed to purchase a majority of properties since he was first in line. The sale was later nullified because of an Ethics Board violation. The properties were adjudicated to the City. The past administration indicated that this procedure for tax sales was the same procedure followed for years. The reason that the method became an issue was that for the year in question, the past Mayor's father was the first in line.

This matter was resolved when new procedures were implemented.

TRAVEL - CREDIT CARD PAYMENT POLICIES: (2006-07)

The elected officials and the CAO have City of Kenner credit cards for use in official City business. Each official reviews and approves the charges appearing on the credit card statement. After the official's approve their statements, all credit card statements along with supporting documentation are submitted to the administration for approval before being submitted to the finance department for payment. In some instances receipts were not submitted, however, the business purpose of the charge was documented and authorized.

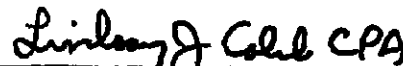
This matter was resolved for the year ended June 30, 2007. The use of credit cards by elected officials and the CAO was discontinued.

In summary, the administration has addressed the prior year comments. The administration plans on continuing to thoroughly review all policies and procedures to maintain and improve efficiencies. The goal of the administration is to maintain a monitoring system that will strengthen the operational system and allow the administration to address issues on a continual basis.

The contents of this letter are intended for the information and use of the City and its management, and are not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN, & MAHER, L.L.P.

 CPA

Lindsay J. Calub, CPA  
Partner

LJC/cf